

Akiko Nishiyama; without amendment (Rept. No. 873). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 3898. A bill for the relief of William E. Gillespie, Jr.; without amendment (Rept. No. 874). Referred to the Committee of the Whole House.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COLMER:

H. R. 5168. A bill to provide for an ad valorem duty on the importation of shrimp; to the Committee on Ways and Means.

By Mr. KILDAY:

H. R. 5169. A bill to provide benefits for survivors of members of the uniformed services, and for other purposes; to the Committee on Armed Services.

By Mr. MILLS:

H. R. 5170. A bill to amend the Internal Revenue Code relating to employees' trusts; to the Committee on Ways and Means.

By Mr. REAMS:

H. R. 5171. A bill to authorize the return to the estate of certain decedents of property and interests devised or bequeathed to or inherited by certain persons ineligible for return thereof under the Trading With the Enemy Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MURPHY:

H. R. 5172. A bill to amend chapter 1 of title 4 of the United States Code, entitled "The Flag"; to the Committee on the Judiciary.

By Mr. BYRNES of Wisconsin:

H. R. 5173. A bill to amend the Social Security Act with respect to the application of agreements to extend the Federal old-age and survivors insurance system to positions covered by certain State retirement systems; to the Committee on Ways and Means.

By Mr. CUNNINGHAM:

H. R. 5174. A bill to amend the National Labor Relations Act, as amended, and for other purposes; to the Committee on Education and Labor.

H. R. 5175. A bill to provide for a standing army of 1,000,000 men and for furnishing basic military training to the youth of America through membership in the National Guard and Organized Reserve; to the Committee on Armed Services.

By Mr. MURDOCK:

H. R. 5176. A bill to create a National Monument Commission, and for other purposes; to the Committee on Public Works.

By Mr. LANTAFF:

H. Res. 389. Resolution calling for an investigation of the steel shortage; to the Committee on Rules.

By Mr. MADDEN:

H. Res. 390. Resolution creating a Select Committee To Conduct an Investigation and Study of the Katyn Forest Massacre; to the Committee on Rules.

#### MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Alabama, urging and recommending that the President and the Congress of the United States take such steps as may be necessary to preserve the Thirty-first Division as a unit composed of the National Guard of the States of Alabama and Mississippi, etc.; to the Committee on Armed Services.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DONOVAN:

H. R. 5177. A bill for the relief of 84 Esthoni-ans; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 5178. A bill for the relief of Diana Toy Moncado; to the Committee on the Judiciary.

H. R. 5179. A bill for the relief of Hilario Camino Moncado; to the Committee on the Judiciary.

H. R. 5180. A bill for the relief of Jungo Tsutsumi; to the Committee on the Judiciary.

By Mr. JAVITS:

H. R. 5181. A bill for the relief of Sister Teresa Tsing-Chieh Twue, Sister Agnes Yu-Haw Shih, and Sister Margerite Ke-Chin Tchao; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 5182. A bill for the relief of Young She Bon; to the Committee on the Judiciary.

H. R. 5183. A bill for the relief of Giuseppe Giamundo; to the Committee on the Judiciary.

By Mr. O'BRIEN of Illinois:

H. R. 5184. A bill for the relief of Joseph Koprak; to the Committee on the Judiciary.

By Mr. REED of Illinois:

H. R. 5185. A bill for the relief of Miss Epifania Giacone; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H. R. 5186. A bill for the relief of Bertalan Steiner; Committee on the Judiciary.

By Mr. SABATH:

H. R. 5187. A bill for the relief of Rodney Drew Lawrence; to the Committee on the Judiciary.

By Mr. VAUGHN:

H. R. 5188. A bill for the relief of Mrs. Pia Biondi; to the Committee on the Judiciary.

#### PETITIONS, ETC.

Under clause 1 of rule XXII,

394. Mr. SHORT presented a petition of Mrs. R. M. Hall and many other citizens, of Lawrence County, Mo., urging the passage of legislation which would prohibit alcoholic-beverage advertising over the radio and television and in magazines and newspapers, which was referred to the Committee on Interstate and Foreign Commerce.

## SENATE

THURSDAY, AUGUST 16, 1951

(Legislative day of Wednesday, August 1, 1951)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. F. Norman Van Brunt, associate pastor, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Our Father God, from every direction ceaseless voices call to us until there is a confusion and contradiction of demands. But in all the clamor of the day let us hear the one voice that is consistent and clear, Thy voice, and we shall be satisfied. In the cross-currents of life catch us up in the very gale of glory that, as the winds of destiny blow over us, we shall know we have prepared ourselves for such a time as this.

Give us strength to bear the heat and battle of the day that we may be worthy to wear the crown of life. Amen.

#### THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, August 15, 1951, was dispensed with.

#### COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MAGNUSON, and by unanimous consent, a subcommittee of the Committee on the Judiciary was authorized to sit during the session of the Senate today.

#### TRANSFER OF CERTAIN NAVAL VESSELS TO FOREIGN COUNTRIES

Mr. McFARLAND. Mr. President, I move that the Senate proceed to the consideration of House bill 3463, Calendar No. 546, to authorize the transfer of certain naval vessels.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 3463) to authorize the transfer of certain naval vessels.

#### TRANSACTION OF ROUTINE BUSINESS

Mr. McFARLAND. Mr. President, I ask unanimous consent that Senators be permitted to make insertions in the Record, and transact other routine business, without debate.

The PRESIDENT pro tempore. Without objection, it is so ordered.

#### EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

#### SPECIAL POLICEMEN ON CERTAIN FEDERAL PROPERTY

A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to authorize the Secretary of Commerce to appoint special policemen for duty upon certain Federal property under the control of the Secretary of Commerce (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

#### REPORT ON RATES OF RETURNS FOR CERTAIN COMPANIES

A letter from the Chairman, Federal Trade Commission, transmitting a report of the Commission on its study of rates of return for 520 identical companies in 25 selected manufacturing industries, 1940, 1947-50 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

#### TRANSFER OF CERTAIN PROPERTY BY GENERAL SERVICES ADMINISTRATION

A letter from the Acting Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize the transfer of certain property by the Administrator of the General Services Administration to the Secretary of the Interior (with an accompanying paper); to the Committee on Expenditures in the Executive Departments.

#### LAWS ENACTED BY MUNICIPAL COUNCILS OF ST. THOMAS AND ST. JOHN AND ST. CROIX, V. I.

A letter from the Acting Assistant Secretary of the Interior, transmitting, pursuant to law, copies of laws enacted by the Municipal Councils of St. Thomas and St. John and St. Croix, V. I. (with accompanying papers); to the Committee on Interior and Insular Affairs.

## LAWS ENACTED BY FIRST GUAM LEGISLATURE

A letter from the Acting Assistant Secretary of the Interior, transmitting, pursuant to law, copies of laws enacted by the First Guam Legislature (with accompanying papers); to the Committee on Interior and Insular Affairs.

## ADMINISTRATION OF PUBLIC LANDS UNDER TAYLOR GRAZING ACT

A letter from the Acting Assistant Secretary of the Interior, transmitting a draft of proposed legislation to improve the administration of the public lands under the Taylor Grazing Act (with an accompanying paper); to the Committee on Interior and Insular Affairs.

## PROPOSED TRANSFER OF BELL OF U. S. S. "BROOKLYN" TO BROOKLYN COLLEGE

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, that Brooklyn College had requested the Navy Department to transfer the bell of the U. S. S. *Brooklyn* to that college; to the Committee on Armed Services.

## REPORT ON DEVELOPMENT OF AREAS OF UNDERSTANDING BETWEEN DEPARTMENT OF DEFENSE AND GENERAL SERVICES ADMINISTRATION

A letter from the Acting Administrator, General Services Administration, transmitting, at the request of the President, a report on the development of areas of understanding between the Department of Defense and the General Services Administration, up to and including May 31, 1951 (with accompanying papers); to the Committee on Expenditures in the Executive Departments.

## PAYMENTS TO STATE AND LOCAL GOVERNMENTS ON FEDERAL REAL PROPERTY

A letter from the Director, Executive Office of the President, Bureau of the Budget, transmitting a draft of proposed legislation establishing a general policy with respect to payments to State and local government on account of Federal real property and tangible personal property by providing for the taxation of certain Federal property and for payments in connection with certain other Federal property, and for other purposes (with accompanying papers); to the Committee on Expenditures in the Executive Departments.

## REPORT OF MILITARY CHAPLAINS ASSOCIATION

A letter from the executive secretary, Military Chaplains Association, Washington, D. C., transmitting, pursuant to law, a report of the association, for the year 1951, embodying a financial statement (with an accompanying paper); to the Committee on the Judiciary.

## PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Alabama; to the Committee on Armed Services:

"Senate Joint Resolution 56

"Be it resolved by the Senate of Alabama (the House of Representatives concurring), That—

"Whereas the Thirty-first Division, better known as the Dixie Division, was composed wholly of National Guard units from the States of Alabama and Mississippi when said division was inducted into the Federal service; and

"Whereas the Thirty-first Division, as it is now composed, has served with distinction as a unit during two world conflicts; and

"Whereas it has brought to the attention of the Legislature of Alabama that there is now a movement on the part of the Federal Government to disintegrate the Thirty-first Division so as to assign part, it not all, of

the National Guard units of the States of Alabama and Mississippi to other divisions; and

"Whereas it is the considered judgment of both houses of the Legislature of the State of Alabama that the Thirty-first Division can better serve the country and be of greater aid to the security and national defense of the United States if said division is left intact: Now, therefore, be it

"Resolved, That the Legislature of the State of Alabama strongly urges and recommends to the United States Congress that it take such steps as may be necessary to preserve the Thirty-first Division as a unit composed of the National Guard of the States of Alabama and Mississippi, to the end that the Thirty-first Division may continue to reflect glory upon itself and do honor to the section of the country from which it comes, and that other National Guard units from this State be likewise held intact; be it further

"Resolved, That a copy of this resolution be sent to each Alabama Congressman, to the two Alabama Senators, and also a copy of this resolution be sent to the Clerk of the House of Representatives and the President of the Senate of the United States, with the request that it be read in both Chambers."

A telegram in the nature of a petition signed by A. W. Lafferty, of Portland, Oreg., relating to the dismissal of 90 cadets at West Point Military Academy (with accompanying papers); to the Committee on Armed Services.

A letter from the secretary of state of the State of Texas, Austin, Tex., transmitting a copy of an act of the legislature of Texas authorizing the interstate compact on civil defense and disaster relief (with an accompanying paper); to the Committee on Armed Services.

A letter from the administrator, Commission on Intergovernmental Cooperation, State of Connecticut, confirming a notice of ratification of the interstate civil defense compact enacted by the State of Connecticut (with an accompanying paper); to the Committee on Armed Services.

## REMOVAL OF VETERANS' ADMINISTRATION DISTRICT OFFICE IN BOSTON, MASS.—RESOLUTION OF MASSACHUSETTS GENERAL COURT

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD and appropriately referred a resolution adopted by the General Court of Massachusetts. I do so in behalf of my colleague, the junior Senator from Massachusetts [Mr. LODGE], and myself. This resolution concerns the removal of the district office of the Veterans' Administration in Boston to Philadelphia.

In connection with the resolution, I wish to say that the junior Senator from Massachusetts and myself have conferred with the senior Senator from New York [Mr. IVES] and the junior Senator from New York [Mr. LEHMAN] in connection with the proposed removal. We have had a conference with Messrs. Clark and Sterling, of the Veterans' Administration. We have sent several telegrams to the Administrator, Mr. Gray, asking that this matter be held up until certain questions can be answered and it can be more carefully gone into and understood by ourselves.

Mr. IVES. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. IVES. I should like to join the Senator from Massachusetts in the statement he has just made.

At the same time, I think I can say that undoubtedly if the New York Legislature were now in session, it would adopt a resolution of the type just presented by the Senator from Massachusetts, which was adopted by the Massachusetts General Court. I commend the Massachusetts General Court. I hope we can obtain some results from the efforts we are making.

Apparently no economy will come from adoption of the proposal to consolidate the Boston, New York, and Richmond district offices of the Veterans' Administration with the Philadelphia office. That being the situation, in view of the fact that a great many persons will be thrown out of work and a great many veterans will be inconvenienced as a result of the proposed move, if it is made, the four of us—and I say to my colleague, the Senator from Massachusetts, that I understand that the Virginia Senators are also interested, so that would make six of us, at least—are very anxious to do all we can do to prevent the move from being made, and we shall take every legitimate course that we can take to that end.

Mr. SALTONSTALL. I thank the Senator from New York, and I agree with what he has said. I understand that, so far as Massachusetts is concerned, the proposed move, if made, will affect more than 800 employees.

Mr. IVES. So far as New York is concerned, my recollection is that it will affect some 1,400 employees, the great majority of whom I am informed are veterans.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred, and, under the rule, printed in the RECORD.

The resolution was referred to the Committee on Finance, as follows:

## RESOLUTION MEMORIALIZING CONGRESS TO TAKE THE NECESSARY STEPS TO PREVENT THE CLOSING OF THE DISTRICT OFFICE OF THE VETERANS' ADMINISTRATION IN BOSTON AND THE REMOVAL THEREOF TO PHILADELPHIA

Whereas the proposed closing of the district office of the Veterans' Administration in Boston and the removal thereof to Philadelphia, if carried into effect, will result in great inconvenience and hardship to the widows and orphans of war veterans: Therefore be it

Resolved, That the General Court of Massachusetts urges the Congress of the United States to take such steps as may be necessary to prevent the closing and removal of said office; and be it further

Resolved, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress and to the members thereof from this Commonwealth.

In house of representatives, adopted, August 8, 1951.

LAWRENCE R. GROVE, Clerk.

In senate, adopted, in concurrence, August 9, 1951.

IRVING N. HAYDEN, Clerk.

A true copy.  
Attest:

EDWARD J. CRONIN,  
Secretary of the Commonwealth.

AMENDMENT OF NATIONAL LABOR RELATIONS ACT—REPORT OF A COMMITTEE—ADDITIONAL COSPONSORS OF BILL

Mr. HUMPHREY. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with amendments, the bill (S. 1959) to amend the National Labor Relations Act, as amended, and for other purposes, and I submit a report (No. 646) thereon.

I ask unanimous consent that the names of the Senator from Montana [Mr. MURRAY], the Senator from Alabama [Mr. HILL], the Senator from West Virginia [Mr. NEELY], the Senator from Illinois [Mr. DOUGLAS], the junior Senator from New York [Mr. LEHMAN], the Senator from Rhode Island [Mr. PASTORE], the Senator from Vermont [Mr. AIKEN], the Senator from New Jersey [Mr. SMITH], the Senator from Oregon [Mr. MORSE], the senior Senator from New York [Mr. IVES], and the Senator from California [Mr. NIXON] be added as additional cosponsors of the bill.

The PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar; and, without objection, the additional names will be added as cosponsors.

READJUSTMENT ALLOWANCE FOR CERTAIN UNEMPLOYED FORMER MEMBERS OF ARMED FORCES—CHANGE OF REFERENCE

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Committee on Labor and Public Welfare be discharged from further consideration of the bill (S. 2010) to provide readjustment allowance for certain unemployed former members of the Armed Forces who served in the active military, naval, or air service on or after June 27, 1950, and for other purposes, and that it be referred to the Committee on Finance. It is the sense of the Committee on Labor and Public Welfare that this measure properly comes within the scope and jurisdiction of the Finance Committee.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

BILLS INTRODUCED

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. MOODY:

S. 2011. A bill for the relief of Joan Katharine Wells; and

S. 2012. A bill for the relief of David Harris Maxwell; to the Committee on the Judiciary.

By Mr. CAIN:

S. 2013. A bill to repeal the act of August 9, 1946, providing for the preparation of a membership roll of the Indians of the Yakima Reservation; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. CAIN when he introduced the above bill, which appear under a separate heading.)

By Mr. UNDERWOOD:

S. 2014. A bill for the relief of Edmon Burgher; to the Committee on Post Office and Civil Service.

By Mr. LANGER:

S. 2015. A bill for the relief of certain displaced persons; and

S. 2016. A bill for the relief of certain aliens; to the Committee on the Judiciary.

MEMBERSHIP ROLL OF INDIANS OF YAKIMA RESERVATION

Mr. CAIN. Mr. President, I introduce for appropriate reference a bill providing for the repeal of the act of August 9, 1946 (60 Stat. L., p. 968) which act provides, among other things, the delegation of power and authority to the Secretary of the Interior, the Bureau of Indian Affairs, and the Yakima Tribal Council, to administer the affairs of the Yakima Indians, including the preparation of a membership roll of the Indians of the Yakima Reservation in the State of Washington.

Members of the Yakima Tribe, who assert that they represent the majority, claim that the provisions of the said act of August 9, 1946, were improperly and dishonestly explained to these Indians before its enactment. They further assert that the Bureau of Indian Affairs, through its agents, were determined to carry forward the program and philosophies of the Wheeler-Howard Act, which act theretofore had been overwhelmingly rejected by the Yakima Indians.

I ask unanimous consent that a petition dated March 21, 1951, addressed to me concerning this proposed legislation be appropriately referred and printed in the RECORD at this point as a part of my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred, and, without objection, the petition will be printed in the RECORD.

The bill (S. 2013) to repeal the act of August 9, 1946, providing for the preparation of a membership roll of the Indians of the Yakima Reservation, introduced by Mr. CAIN, was read twice by its title and referred to the Committee on Interior and Insular Affairs.

The petition is as follows:

PETITION

WASHINGTON, D. C., March 21, 1951.

HON. HARRY CAIN,

United States Senate,

MY DEAR SENATOR CAIN: We herewith present a petition signed by 427 members of the Yakima Tribe of Indians, these signatures representing at least 2,000 of our members. The petition sets forth as follows:

"Whereas Public Law No. 706, Seventy-ninth Congress, second session, chapter 933 (H. R. 6165)—An act to provide for the preparation of a membership roll of the Indians of the Yakima Reservation, Wash., and for other purposes—was approved August 9, 1946;

"Whereas the Congress' long-established objective has been to encourage the Indians, particularly the young Indians, to become self-reliant, self-sufficient, and independent;

"Whereas this act goes against these objectives and is a step backward rather than forward because—

"A. The tribal council is given the absolute power to strike from the roll at any time (1) any Yakima of one-fourth or more blood who has not lived in the Yakima country for 5 years; or (2) any Yakima of one-fourth or more blood who has not joined in tribal activities or functions for 5 years, who is without allotment or inherited interest but

who is otherwise eligible to be allotted or to inherit.

"Example: A young Yakima of full blood or one-fourth goes away to trade school. He learns a trade and finds employment in a distant city, out of the Yakima country. He supports himself and perhaps marries and raises a family, but lives where his job is, which is out of the Yakima country. His parents are allotted on the Yakima Reservation and want their own flesh and blood son to inherit their allotments. But he cannot inherit, unless he quits his job and moves back.

"Example: A Yakima of full blood or one-fourth lives on the Yakima Reservation but he does not join in tribal activities or functions. He does not mix around, but stays strictly to himself. He may find himself stricken from the roll because he did not maintain any tribal affiliations.

"The result is that Indians are encouraged not to find work or occupation beyond the borders of the Yakima country and are encouraged not to become independent, for fear of being disinherited by their own tribe and unable to inherit from their own people.

"B. There is no simple or convenient appeal procedure set up for appeal from the tribal council.

"Whereas the clause 'who has failed to maintain any tribal affiliations' is so loose and indefinite that it can be arbitrarily and capriciously used to exclude otherwise deserving Yakima Indians, and therefore, vests despotic powers in the tribal council;

"Whereas the act deprives allottees and persons with inherited interests of the natural expectation and assurance, that their descendants, who are the natural objects of their bounty, will inherit, but sets up an unnatural scheme, which can cut off their own flesh and blood, and creates complex problems of who is to inherit instead: Now, therefore, be it

"Resolved, That this act be repealed or changed to eliminate the evils mentioned.

"Dated in February 1951.

"HATTIE PURVIS HOPTOWIT

(And 426 others)."

The principal reason for this petition is the request for a repeal of the act of August 9, 1946 (60 Stat. 968). Among other things it provides for the preparation of a new membership roll of the Yakima Indians.

We believe this legislation was instigated and promoted by the Indian Bureau through a tribal council controlled by it.

The Yakima Indians had rejected the Wheeler-Howard Act approximately 10 years before the Indian Bureau and the tribal council started to promote the legislation contained in the act of August 9, 1946. In other words, when the Indian Bureau and its tribal council failed to sell the Wheeler-Howard Act to the Yakima Indians, they proceeded to do something to bring the Wheeler-Howard Act to the Indians through a deceitful scheme, which apparently worked.

In about the year 1941 the Indian Bureau, its representatives and its tribal council started and continued their underhanded methods to induce the Yakima Indians to adopt the provisions of the act of August 9, 1946. The provisions of this act were never properly and honestly explained to the Yakima Indians in general, for if they had been the act would have been rejected just as overwhelmingly as the Wheeler-Howard Act was.

The Yakima Indians did not realize the effect of this act until recently, when the tribal council which was established under the provisions of this act commenced to exercise its authority.

The Yakima Indians now find themselves in the hands of a tribal council dominated by the Indian Bureau, which tribal council is squandering the moneys belonging to the Yakima Indians.

We, the undersigned, representing the majority of the Yakima Indians, respectfully beg your assistance in obtaining repeal of Public Law 706.

HATTIE PURVIS HOPTOWIT.  
MINNIE MCCOY WHITEFOOT.

#### REVENUE ACT OF 1951—AMENDMENTS

Mr. O'CONNOR (for himself, Mr. KEFAUVER, Mr. HUNT, Mr. TOBEY, and Mr. WILEY) submitted amendments intended to be proposed by them, jointly, to the bill (H. R. 4473) to provide revenue, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

#### ASSISTANCE TO FRIENDLY NATIONS—AMENDMENT

Mr. GREEN (for himself, Mr. GILLETTE, Mr. HILL, Mr. SPARKMAN, Mr. DOUGLAS, Mr. WILEY, Mr. FLANDERS, Mr. TAFT, Mr. BRIDGES, Mr. McMAHON, Mr. KEFAUVER, Mr. SMITH of New Jersey, and Mr. SALTONSTALL) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 1762) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing assistance to friendly nations in the interest of national security, which was referred to the Committees on Foreign Relations and Armed Services, jointly, and ordered to be printed.

#### ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. CAIN:

Editorial entitled "Ridgway's Firm Stand," published in the Washington Daily News of August 16, 1951, with reference to the peace conference in Korea, and statement by himself on the subject The Puzzle of Korea, before the Washington State Association of the Loyal Order of Moose, on July 19, 1951.

By Mr. WILEY:

Article containing a symposium on world affairs, published in the August 12, 1951, issue of the Wichita Beacon, of Wichita, Kans.

By Mr. BUTLER of Nebraska:

Editorial entitled "Cadet Speaks," published in the Washington Post of August 15, 1951, discussing the honor system at West Point.

Article entitled "Moscow's Red Letter Day in American History," written by William LaVarre, and published in the American Legion magazine for August 1951, recounting the facts of the recognition of Soviet Russia by the United States.

By Mr. BRICKER:

Editorial comments on the proposal in the United Nations to adopt a Covenant on Human Rights.

By Mr. ECTON:

Editorial entitled "The Tideland Issue," published in the Washington Star of August 12, 1951.

By Mr. THYE:

Editorial entitled "Rooked at Rucker," published in the Swift County News, of Benson, Minn., discussing the operation by the Army of the reserve program.

#### NOTICE OF HEARING ON NOMINATION OF FRIEDA B. HENNOCK TO BE UNITED STATES DISTRICT JUDGE, SOUTHERN DISTRICT OF NEW YORK

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judi-

ciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Saturday, August 25, 1951, at 10 a. m., in room 424, Senate Office Building, upon the nomination of Frieda B. Hennock, of New York, to be United States district judge for the southern district of New York, vice Hon. Alfred C. Coxe, retired. At the indicated time and place persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from North Carolina [Mr. SMITH], and the Senator from Wisconsin [Mr. WILEY].

#### NOTICE OF HEARING ON NOMINATION OF ROBERTO H. TODD, JR., TO BE CHIEF JUSTICE OF THE SUPREME COURT OF PUERTO RICO

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Thursday, August 23, 1951, at 9:30 a. m., in room 424, Senate Office Building, upon the nomination of Roberto H. Todd, Jr., of Puerto Rico, to be Chief Justice of the Supreme Court of Puerto Rico vice Hon. Angel R. de Jesus, deceased. At the indicated time and place persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Mississippi [Mr. EASTLAND], and the Senator from New Jersey [Mr. HENDRICKSON].

#### REMOVAL OF TELEVISION, RADIO, AND MOTION PICTURE CAMERAS FROM CRIME COMMITTEE HEARING

Mr. WILEY. Mr. President, a few days ago there was quite a discussion on the floor of the Senate in regard to the utilization of such media as radio, television, the press, and so forth, at committee hearings. Yesterday I was very much interested when, at the request of a witness who appeared before the Special Committee on the Investigation of Interstate Crime, of which committee I am a member, action was taken to foreclose the utilization of all such media, including radio and television, inasmuch as the witness claimed that the lights for the television interfered with his ability to judge, relate, and so forth.

It is very interesting to note that in this grand country of ours, men can differ. I hold in my hand a letter written by Willard F. Shadel, president of the Radio Correspondents' Association, addressed to the Senator from Maryland [Mr. O'CONNOR], chairman of the Special Committee on the Investigation of Interstate Crime. I desire to read two paragraphs of the letter, and then I shall ask unanimous consent that the entire letter be printed in the RECORD, because in my humble opinion it sets forth a very sound conclusion:

We believe this action was taken without full appreciation of its implications. We believe the banning of radio, television, and

news reels from the hearing, at the request of the attorneys for one witness, is a form of discrimination against certain news media, and a threat to all media under our democratic traditions of freedom of the press.

To accept the thesis of the attorneys for the witness that the coverage of one media could make a witness a part of a spectacle is to say, in our judgment, that any news coverage of a public hearing makes a witness a part of a spectacle.

Mr. President, I ask unanimous consent that the entire letter be printed at this point in the RECORD, because I feel that this is a matter of evidence which should be studied by the appropriate committee which will consider the resolutions bearing on this subject.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 15, 1951.

Senator HERBERT R. O'CONNOR,  
Chairman, Senate Crime Investigating  
Committee, Senate Office Building,  
Washington, D. C.

DEAR SENATOR O'CONNOR: The executive committee of the Radio Correspondents Association held an emergency meeting at noon today (August 15, 1951) to protest the action of the Senate Crime Investigating Committee in placing arbitrary limitations upon the news coverage of its public hearing this morning.

We believe this action was taken without full appreciation of its implications. We believe the banning of radio, television, and news reels from the hearing, at the request of the attorneys for one witness, is a form of discrimination against certain news media, and a threat to all media under our democratic traditions of freedom of the press.

To accept the thesis of the attorneys for the witness that the coverage of one media could make a witness a part of a spectacle is to say, in our judgment, that any news coverage of a public hearing makes a witness a part of a spectacle. It is our position that in public hearings all news media have equal access to the reporting of the proceedings.

We respectfully request that this action, taken by your committee after previously consenting to radio, television, and news-reel coverage, be reconsidered.

Sincerely,

WILLARD F. SHADEL,  
President, Radio Correspondents  
Association.

#### CALL OF THE ROLL

Mr. McFARLAND. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. McFARLAND. Mr. President, I ask unanimous consent that the order for the quorum call be vacated, and that further proceedings under the call be dispensed with.

The PRESIDENT pro tempore. Is there objection?

Mr. WHERRY. Mr. President, reserving the right to object, does the Senator propose now to proceed immediately with the shipping bill?

Mr. McFARLAND. No. I thought we would take up first the conference report on the independent offices appropriation bill.

Mr. WHERRY. Then, I have no objection.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Arizona? The Chair hears none, and it is so ordered.

INDEPENDENT OFFICES APPROPRIATIONS—CONFERENCE REPORT

Mr. MAYBANK. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3880) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1952, and for other purposes, and I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The report will be read for the information of the Senate.

The report was read.

(For conference report, see House proceedings of August 14, 1951, pp. 10053-10056).

The PRESIDENT pro tempore. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. MAYBANK. Mr. President, I move that the Senate agree to the conference report.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

Mr. WHERRY and Mr. MAGNUSON addressed the Chair.

Mr. WHERRY. Mr. President, will not the Senator give us an explanation of the conference report?

Mr. MAYBANK. I shall be only too glad to do so.

Mr. WHERRY. I am particularly interested in an item on page 3.

Mr. MAYBANK. Did the Senator from Nebraska wish to ask me a question?

Mr. WHERRY. We are now considering the conference report on the independent offices appropriation bill.

Mr. MAYBANK. That is correct.

Mr. WHERRY. I am not objecting to the motion to adopt the conference report. However, this is a rather extensive bill. I wonder if we cannot have an explanation of the agreements reached by the conferees, and a statement of the points on which the Senate conferees had to recede.

I am also very much interested in the statement on page 3 of the conference report relative to the housing paragraph. I ask whether or not that extends title VIII of the so-called housing bill which was passed by the Senate. I have not gone through the report in its entirety. I should like to have an explanation from the distinguished Senator from South Carolina.

Mr. MAYBANK. I appreciate the remarks of the Senator from Nebraska. Of course, the conference report is in the RECORD of day before yesterday. I may say, in connection with housing, that the basic law is not changed at all. The 1949 act is not changed except for the limitation of public housing to 50,000 units.

Mr. WHERRY. The Senator is referring to the public-housing bill?

Mr. MAYBANK. Yes.

Mr. WHERRY. Is that the only housing bill that is coming over from the House?

Mr. MAYBANK. No, I may say that yesterday the House passed the so-called defense-housing bill, in which the Wherry amendment and other titles are included. That has not yet reached the Senate. I am advised by the clerk that it will be here this afternoon. At that time I expect, as chairman of the Banking and Currency Committee, to move that the Chair appoint conferees on the part of the Senate, to confer with the conferees on the part of the House on the defense-housing bill of this year. I am only too glad to answer any questions.

Mr. WHERRY. As I understand, provision is made for a maximum of 50,000 units.

Mr. MAYBANK. Yes.

Mr. WHERRY. That is the number to which I understand the Senate finally agreed.

Mr. MAYBANK. It was agreed to on a vote. That provision was supported by Senators on both sides of the aisle. The number was reduced from 135,000 to 75,000 by the Budget and again reduced by the Senate to 50,000.

Mr. WHERRY. I think the House made it 5,000.

Mr. MAYBANK. I was referring to the action of the Senate.

Mr. WHERRY. The Senate increased the number to 50,000, and the Senate amendment prevailed.

Mr. MAYBANK. That is true, except for one provision, to the effect that if a community desires, through its governing body, to vote not to have housing projects, it may do so; and provided further, that they may, if they wish—and I desire to make this perfectly clear, so that there will be no misunderstanding—cancel a contract which has been made for public housing. But, of course, they will be responsible for any money which the Government has put into the project.

Mr. WHERRY. Is this an extension of the Housing Act of 1949 with a maximum ceiling of 50,000 units?

Mr. MAYBANK. The Senator is correct, except for the right of the governing body of a community to vote not to have public housing. The Senator knows how I feel about that, and I think he feels the same way.

Mr. SCHOEPEL. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. SCHOEPEL. I should like to ask the distinguished Senator from South Carolina whether any change has been made which would prevent the use of housing which was built for veterans. I think the act expired last night.

Mr. MAYBANK. Unfortunately there are some bad situations in California and elsewhere, but that legislation is carried in the housing bill which the House passed last night at 7 o'clock. We are waiting for the message from the House transmitting the bill to the Sen-

ate which the clerks advised me will be here this afternoon. At that time I shall ask that conferees be appointed on the part of the Senate. We are supposed to meet at 11 o'clock tomorrow morning.

Mr. SCHOEPEL. I thank the Senator.

Mr. MAYBANK. The provision referred to is in the bill which is coming over from the House.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. MAGNUSON. I wish to inquire of the distinguished Senator from South Carolina regarding the conference report, on page 12, under title II, "Maritime Activities." As the Senator well knows there has been a controversy between the House and Senate for some time over the number of voyages to be appropriated for, so far as the subsidized lines are concerned.

Mr. MAYBANK. The Senator is correct.

Mr. MAGNUSON. Originally the House limited the number of voyages on subsidized lines, and then added another proviso which required that of the number of voyages, 307 should be for what are called new applicants. The Senate committee in its hearings heard witnesses from the Maritime Board—Admiral Cochrane and others—who pointed out very vigorously the folly of such an amendment and such a proviso.

Mr. MAYBANK. I wish to make the statement, Mr. President, that the Senate conferees unanimously used their very best efforts to have the Senate version accepted. However, the House was adamant in its refusal to accept it. The distinguished Senator from Massachusetts [Mr. SALTONSTALL], as the ranking minority member, urged in conference that everything be done to eliminate that provision. What we have before us is an agreement between the House and the Senate. It is a compromise. All legislation is a compromise between the House, the Senate, and the executive branch of the Government. I can say to the Senator from Washington [Mr. MAGNUSON] that we did everything we could do to retain the Senate version.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. SALTONSTALL. I support the Senator from South Carolina in everything he has stated. In the conference the Senate conferees were up against the proposition that the House conferees contended that the provision adopted by the House would accomplish the desired objective. They felt that there should be 1,540 voyages. We tried to increase the number. We finally got an increase of 307 voyages, provided the 307 voyages went to new companies. It was pointed out afterward that the new companies could not use all the 307 voyages. Therefore, we are not accomplishing our objective. The argument of the House conferees, particularly of Representative THOMAS, of Texas, was that we were continuing a monopoly. We did not agree with the argument. He said we

were giving a monopoly to the companies which now had the operating subsidy privilege.

We tried to get more voyages provided for by adding new companies to the list. I agree that the new companies probably will not be able to use all the voyages. I know that the Senator from South Carolina will agree with me when I say that we tried to reopen this matter at the second conference. The House conferees, including those who first were in favor of 1,830 voyages, said they could not do anything about it.

Mr. MAYBANK. They were adamant at the second conference, too.

Mr. SALTONSTALL. Yes, they were adamant.

Mr. MAYBANK. We had two separate conferences on the item.

Mr. MAGNUSON. I appreciate the efforts which were made by the Senator from Massachusetts and the Senator from South Carolina.

Mr. MAYBANK. All the Senate conferees felt the same way about it.

Mr. MAGNUSON. I appreciate their efforts. I would not say that the House conferees were adamant. I would say they were quite stubborn about the matter. However, before the conference report is approved I believe the Senate ought to know what we are doing today with regard to our merchant marine. No compromise was made. In other words, the original House version, which was opposed by the Maritime Board, the Department of Commerce, the administration, the subsidized shipping company, the unions, the American Legion, the Veterans of Foreign Wars, and the legislative committee having jurisdiction of the merchant marine, was finally adopted in conference.

Mr. MAYBANK. It was also opposed by the Senate conferees.

Mr. MAGNUSON. Yes, it was also opposed by the Senate conferees. The version of the bill now before the Senate was finally adopted by the conference committee. The Senate had adopted its version because there had been pointed out to it the effect of the House provision on the merchant marine.

I had heard the statement, which was repeated by the Senator from Massachusetts, to the effect that some of the House conferees felt that the conference report version would help the so-called subsidized lines. As a matter of fact, the way the conference report now stands it does just the opposite. In other words, the House conferees apparently wanted to allow a certain number of voyages to be available—307, to be exact—for new applicants. That is perfectly all right. If they took 307, 500, or 200, or any other number that they wanted to add to the 1,540 voyages, it would have effected their purpose, or at least would have effected what they said was their purpose. However, that is not what is going to happen.

Mr. MAYBANK. Let me make this statement first. The Senate figure was 1,830 voyages.

Mr. MAGNUSON. Yes.

Mr. MAYBANK. The conference figure is 1,522, of which 307 will go to new companies.

Mr. MAGNUSON. Under the Merchant Marine Act of 1936 the Government is obligated to make contracts for the voyages of the so-called subsidized operators. For the coming year those contracts call for 1,522 voyages. The Government is obligated by contract to pay an operating-differential subsidy for 1,522 voyages. What the conference report does is to cut from 1,540 voyages—I believe that was the figure used in the conference—307 voyages, which are set aside for new applicants. No one quarrels with that procedure. They could have set aside 500 voyages for new applicants, because the Maritime Board would still have to pass upon new applicants. Perhaps new applicants would not use all the voyages. On the other hand, they may use only a portion of them or all of them.

However, the Government is obligated by contract. What will happen is that the lines which are subsidized, like the United States Line, the American Export, the American President, the American-Hawaiian Line, and all other steamship lines in the subsidized group, which have contracts with the Maritime Board, mandatorily will have to complete those voyages.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MAYBANK. Yes.

Mr. SALTONSTALL. I agree with what the Senator from Washington has said. However, admitting that the conference report should be adopted, because of everything else that is contained in it, if the Government is liable on the contracts, cannot the situation be cured by an appropriate amendment to the first supplemental appropriation bill which comes along?

Mr. MAGNUSON. I was going to suggest to the Senator from Massachusetts, as I suggested to the Senator from South Carolina yesterday, after the conference report was submitted, that I had fully intended to make a motion to recommit because of that situation.

Mr. MAYBANK. I hope the Senator will not do that.

Mr. MAGNUSON. I agree with the Senator from South Carolina that the appropriation bill includes many items of great importance, this being one of the major items. I would not want to be in the position of holding up the conference report, and I shall not make a motion to recommit it. I wish to point out to the Senate, what we are doing. I want to make a basis in the RECORD which we can have before us when we take up a supplemental appropriation bill.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MAYBANK. Yes.

Mr. SALTONSTALL. I hope the Senator from Washington will adopt that procedure, because I do not believe anything would be accomplished by sending the bill back to conference. I do not believe that the Members of the House are sufficiently clear on the subject, and perhaps the Members of the Senate are

also not clear on it. I believe it ought to be cleared up with respect to how the Government is liable on the contracts, as well as with respect to all the other conditions involved, and then it should be taken care of in a supplemental appropriation bill.

Mr. MAGNUSON. I agree with the Senator from Massachusetts. However, I wish to take a few minutes to point out exactly what we are doing. The conference report on page 13 says:

The members of the conference committee insist that the number of voyages of the companies who enjoy and have enjoyed the benefits of subsidized operating-differential subsidy contracts since the inception of the law in 1937 be reduced so that the other companies or individuals who have not enjoyed these benefits be permitted to do so.

That is a laudable objective. No one has any quarrel with it. But what the conference report does now and what the bill does now is the exact opposite. It not only cuts down the number of voyages for the subsidized lines, which are under contract to the Government, but when 307 voyages are set aside for new applicants it freezes out additional voyages needed on regular trade routes. So whatever the purpose of the House conferees was, if there are some citizens of the United States who wish to go into the shipping business and who decide to make application for a subsidy—with which, as I say, we have no quarrel—the result will be exactly the opposite of that intended.

These contracts are not made overnight. Under the 1937 Act, some applications for subsidies have been pending for 2 or 3 years.

When the Maritime Commission was abolished, the new Maritime Administration, under the able leadership of Admiral Cochrane, had to take up some of the contracts. Several contracts are pending. The applications are perfectly legal and have great merit.

During World War II, the American merchant marine was entirely owned or controlled by the Government and after the war the Government wished to restore the merchant marine to private operation.

(At this point Mr. MAGNUSON yielded to Mr. CHAVEZ and other Senators, and debate ensued, which, by unanimous consent, was ordered to be printed in the RECORD at the conclusion of Mr. MAGNUSON'S speech.)

Mr. MAGNUSON. Mr. President, I desire to point out further what I consider to be the utter folly of attempting through these amendments to achieve the apparent purpose which the House conferees thought they wanted to achieve. I desire to point out again, in regard to the number of voyages for the subsidized lines, that not only are these contracts made by the Government and binding upon the Government, but also that at the end of World War II the Government, in an effort to put the American merchant marine into wholly private registration, requested 14 of the subsidized lines, whose contracts had been suspended during the war, to make the contracts. Negotia-

tions in regard to contracts have been continuing for a long time. There are pending many contracts, some with subsidized lines, for new voyages or new trade routes, which, while they had been used, were completely disrupted in World War II. Some are from new applicants and some from applicants whom the House conferees probably had in mind when they deducted the 307 voyages from the 1,540.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. SALTONSTALL. I ask unanimous consent to place in the RECORD at this point an exhibit which was presented to the Appropriations Committee in connection with the independent offices appropriation bill. It shows the number of voyages estimated for the 1952 budget, on first, contracts executed; second, resumptions by contractors; third, prewar contracts; fourth, applications for new contracts; and fifth, applications pending but not included in the voyages, which are estimated for the 1952 budget, and, with the applications pending but not included, of 307, it makes a total list of 1,830, which was the number submitted by the Senate committee, and on which there is now the compromise which the Senator from Washington is debating.

There being no objection, the exhibit was ordered to be printed in the RECORD, as follows:

APPENDIX A.—Actual or estimated postwar vessels and voyages

Operating subsidy contractor	Number of vessels	Voyages		Number of voyages estimated for 1952 budget
		Minimum	Maximum	
<b>(1) Contracts executed:</b>				
American Mail Line, Ltd.	9	46	51	142
Farrell Lines, Inc.	16	44	62	61
Grace Lines, Inc.	14	81	104	100
Lykes Bros. Steamship Co., Inc.	51	228	339	316
Mississippi Shipping Co., Inc.	14	55	70	69
Pacific-Argentine-Brazil Line, Inc.	4	11	13	13
Seas Shipping Co., Inc.	12	26	36	36
United States Lines Co. (America)	1	14	19	17
Subtotal	121	505	694	654
<b>(2) Resumption letter contracts subject to further actions by the Board before execution of formal resumption contracts:</b>				
American Export Lines, Inc.	31	168	199	189
American President Lines, Ltd.	17	72	78	78
Moore-McCormack Lines, Inc.	37	168	206	198
United States Lines Co. (Caribbean)	40	242	254	242
Subtotal	125	650	737	707

<sup>1</sup> Operator has made formal application to reduce minimum and maximum sailings to 36 and 46, respectively, and estimated voyages are based on present turn-around voyage days.

<sup>2</sup> Operator purchased 4 vessels from the Shepard Steamship Co. for general assignment to lines A, B, and C, for the purpose of handling anticipated Israeli business. Increase in sailings has been requested from a total minimum of 144 and a maximum of 173 to a minimum of 168 and a maximum of 199 per annum.

APPENDIX A.—Actual or estimated postwar vessels and voyages—Continued

Operating subsidy contractor	Number of vessels	Voyages		Number of voyages estimated for 1952 budget
		Minimum	Maximum	
<b>(3) Prewar contracts where there are neither formal nor letter resumption contracts due to failure thus far to agree on replacement program:</b>				
The Oceanic Steamship Co.	4	10	13	12
New York & Cuba Mail Steamship Co.	6	96	106	102
Subtotal	10	106	119	114
Subtotal for groups 1, 2, and 3	256	1,261	1,550	1,475
<b>(4) Applications pending for new contracts included in 1952 fiscal budget:</b>				
South Atlantic Steamship Co., Inc.	4	24	30	26
Gulf & South American Steamship Co., Inc.	4	18	30	22
Subtotal	8	42	60	48
Total	264	1,303	1,610	1,523
<b>(5) Applications pending not included in 1952 fiscal budget:</b>				
Pacific Far East Line, Inc.	11	52	57	-----
Pacific Transport Lines, Inc.	8	30	36	-----
Grace Line, Inc., west coast	2	6	6	-----
Grace Line, Inc., Atlantic-Caribbean	8	122	156	-----
United States Lines Co. (trade route No. 8)	6	45	52	-----
Subtotal	35	255	307	-----
Grand total	299	1,558	1,917	1,523

Mr. MAGNUSON. I thank the Senator for placing that in the RECORD. As a matter of fact, the exact number of voyages now under contract is 1,522; and of course, the effect of putting 307 aside for new applicants would mean merely that the Government will have a default on these contracts; and I know of no reason why the operators who were called in after World War II and requested to take these trade routes and told to make these voyages, whose contracts were signed, could not sue the United States Government for the full amount in connection with the 1,522 voyages.

Mr. MAYBANK. What the Senator says is correct. The Government is under obligation to the operators referred to; but it may be possible that some of the voyages may not need subsidies, because of business conditions as of today. The House conferees made that point. It has not been brought out heretofore. No one knows what the business conditions will be in January, February, March, and April of next year. It is not always possible to guess that far ahead.

Mr. MAGNUSON. Another thing on that point is that when the operators

claimed the so-called operational differential subsidy for a year, it dated back 2 or 3 years.

Mr. MAYBANK. That is correct.

Mr. MAGNUSON. The House conferees are talking about something that may be decided by a future maritime board 3 or 4 years hence. We are trying to expand the trade routes of the American merchant marine. We are not trying to put so many voyages in deep freeze. The provision in the report would put a hundred voyages in deep freeze, not only those of unsubsidized operators, but those of new applicants.

Mr. LONG. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. LONG. I should like to associate myself with the remarks being made by the Senator from Washington, who is an expert on this subject. It seems to me the action by the House is ill-considered and unwise, and jeopardizes our national security, tending to drive our flag off the seas. If someone desired to have a study made to ascertain whether a change should be made in order to keep the American flag flying in competition with nations of a lower living standard, that would be one thing, but it is certainly ridiculous and improper for someone, without knowing what he is doing, to cut down the number of voyages American ships can make.

Mr. MAGNUSON. I thank the Senator from Louisiana for his observation.

Let me read to the Senate a resolution adopted by the American Legion on this particular subject when the matter was pending in the House committee. I read it not because I want to fortify any remarks I make by resolutions from organizations, but it does set forth in very succinct terms exactly what the controversy is all about. Here is a resolution adopted by the national Legion convention in Los Angeles in 1950:

That the American merchant marine should not be "frozen" at its present state of development through restrictive and limiting provisions in appropriation bills which relate to the number of units to be operated rather than the amount of money to be made available, but that basic shipping laws and policies should be carried out in promoting and developing the subsidized segment of our merchant marine to the extent of funds which Congress feels can be made available from year to year.

That indicates exactly what the controversy comprehends. In an appropriation bill we are determining policy for the American merchant marine. But it is even more reprehensible because of the fact that the Government has entered into contracts for 1,522 voyages. Those contractors can sue in a court of law and collect from the United States Government.

The merchant marine is the fourth arm of our national defense, as the Senator from Louisiana has said. In World War II, as the Senator from Louisiana knows well, because he had a career in the Navy, the merchant marine carried 97 percent of all the tons of cargo transported. After World War II, because all world routes were disrupted, a number of commissions were appointed to investigate conditions affecting the merchant

marine, because we learned a sad lesson between World War I and World War II, when we let the American flag practically go off the seas, and it cost us \$37,000,000,000 to get it back. Here we are arguing about a few voyages as to which the Government is under contract. In the 1936 Merchant Marine Act we were learning a lesson. We agreed to subsidize the ships which plied on foreign routes.

I dislike to be repetitious, but I am becoming tired of hearing what some say about the merchant marine. We pay half as much to subsidize the merchant marine as we pay to subsidize cheese. I am not against subsidies on cheese, but I think the merchant marine is just as important as is cheese.

I know how hard the Senate conferees tried to sustain the Senate position. I know that the Senator from South Carolina [Mr. MAYBANK] even winked a little at some conference rules in order to bring the subject up the second time.

Mr. MAYBANK. The Senator is correct. I conferred with the Senator from Washington when the original bill was before the Senate, and I talked with the Senator from Oregon and the Senator from Massachusetts, and we made statements. That was approximately 6 weeks ago.

Mr. MAGNUSON. If the House conferees have someone in mind who desires to go into the shipping business, no one has any quarrel with that. There should have been a certain number of available voyages for new applicants, but the conferees reduced the 1,522 voyages by that number. Admiral Cochrane testified that that was the minimum on which he could work.

Mr. MAYBANK. That is correct.

Mr. MAGNUSON. Our ships do not operate on as many trade routes as they should in order that we might have an adequate merchant marine, because it takes some time to build up an adequate merchant marine. The number of voyages should have been increased. Some of the trade routes have not yet been established. Many of them in the Orient and the Pacific will probably pay for themselves. But all these routes do not cost very much. It costs less to subsidize the whole American merchant marine than it costs to build one light cruiser.

I am not going to burden the Senate with all the figures. They are set forth in the testimony of very able people. I ask unanimous consent to place in the RECORD a memorandum I prepared on the conference report and another memorandum which points out, I believe, the folly of the House position on the point I have been discussing.

There being no objection, the memoranda were ordered to be printed in the RECORD, as follows:

MEMORANDUM

JULY 25, 1951.

House Conference Report No. 753, independent offices appropriation bill, 1952, states that the managers on the part of the House will recommend that a flat limitation of 1,522 voyages would be allowed as eligible to receive differential operating subsidy for the fiscal year 1952 in accordance with the Mer-

chant Marine Act, 1936. The report states further than the managers on the part of the House will recommend that 307 of this limit of 1,522 shall be set aside for companies which have not participated heretofore in these (differential operating) subsidies.

In 1946, following the war, the former Maritime Commission issued letters to 12 steamship operating companies which before the war had been operating on approved essential trade routes and under conditions which qualified them for subsidy in strict accordance with the terms of the Merchant Marine Act, 1936, and on contracts executed in accordance therewith.

Resumption of operations under the subsidy contracts was started on the understanding by the companies, the Maritime Commission and interested committees of the Congress that amendments to their previous contracts covering the details of their postwar operations would be finalized. Operations have been continued to date by these companies in accordance with these contracts. A new contract was negotiated with one company as of January 26, 1949, to undertake subsidy operations, namely, the Pacific Argentine Brazil Line, Inc.

Resumption amendments were finalized by the former Maritime Commission for the following companies, with the provision for minimum required and maximum permissible voyages as follows:

	Number of vessels	Voyages		Estimate for budget purposes
		Required minimum	Permissible maximum	
American Mail Line, Ltd.	9	146	51	42
Farrell Lines, Inc.	16	44	62	61
Grace Line, Inc.	14	81	104	100
Lykes Bros. Steamship Co., Inc.	51	228	339	316
Mississippi Shipping Co., Inc.	14	55	70	69
Pacific Argentine Brazil Line (new contract)	4	11	13	13
Seas Shipping, Inc.	12	26	36	36
United States Lines Co. (passenger service)	1	14	19	17
<b>Total group A</b>	<b>121</b>	<b>505</b>	<b>694</b>	<b>654</b>

<sup>1</sup> American Mail has requested that the required minimum number of voyages in their contract be reduced.

Because of technicalities of one sort or another the contracts for the following companies, which have been operating on the assumption that their instructions to resume were valid and binding, were not finalized by the Maritime Commission prior to its abolishment under Reorganization Plan No. 21 of 1950. The responsibilities and obligations of the former Maritime Commission were transferred by Reorganization Plan No. 21 of 1950 to the Federal Maritime Board and the Maritime Administration created in the Department of Commerce. The Federal Maritime Board has interpreted its creation to be a mandate to clear up the backlog of incompleting business among which are these resumption amendments which have been pending for over 4 years.

The Board has succeeded in finalizing amendments with two companies as follows:

	Number of vessels	Voyages		Estimates for budget purposes
		Required minimum	Permissible maximum	
American Export Lines	27	144	173	163
Moore-McCormack Lines, Inc.	37	168	206	198
<b>Total group B</b>	<b>64</b>	<b>312</b>	<b>379</b>	<b>361</b>

Negotiations have proceeded toward finalizing of amendments covering:

	Number of vessels	Voyages		Estimates for budget purposes
		Required minimum	Permissible maximum	
American President Lines	17	72	78	78
New York & Cuba Mail Steamship Co.	6	96	106	102
Oceanic Steamship Co.	4	10	13	12
United States Lines (cargo)	40	242	254	242
American Export Lines (Israel Service)	4	24	26	26
<b>Total group C</b>	<b>71</b>	<b>444</b>	<b>477</b>	<b>460</b>
<b>Total:</b>				
Group A	121	505	694	654
Group B	64	312	379	361
Group C	71	444	477	460
<b>Grand total</b>	<b>256</b>	<b>1,261</b>	<b>1,550</b>	<b>1,475</b>

There are pending before the Board new applications from the following companies:

	Number of vessels	Voyages		Estimates for budget purposes
		Required minimum	Permissible maximum	
Gulf & South American Steamship Co., Inc.	4	18	30	122
South Atlantic Steamship Co., Inc.	4	24	30	126
Pacific Far East Line, Inc.	11	47	57	(?)
Pacific Transport Line, Inc.	8	30	36	(?)
United States Lines (route 8) <sup>1</sup>	6	45	52	(?)
Grace Line, Inc. (route 25) <sup>2</sup>	2	6	6	(?)
Grace Line, Inc. (route 4) <sup>3</sup>	8	122	156	(?)
<b>Total</b>	<b>43</b>	<b>292</b>	<b>367</b>	<b>48</b>

<sup>1</sup> Included in budget in expectation of award of contract.

<sup>2</sup> Not included in budget estimates.

<sup>3</sup> These are applications for new services by companies already holding other contracts.

From the above it is clear that the limitations proposed by the managers on the part of the House in the Appropriation Conference Committee will not cover even the minimum required voyages for those steamship lines with which the Federal Maritime Board has inherited lawful contracts or commitments which must be accepted as binding if the conditions of approval provided in the Merchant Marine Act, 1936, are found to be met. There is every reason to believe that these conditions will be met and that all of these contracts by legal requirement will become binding financial obligations on the United States Government. These contracts are binding up to the maximum permissible number of voyages.

In the event the voyage limitation is not adjusted to permit the Maritime Administration to meet these contractual obligations it has only one course of action other than that of incurring a deficiency, namely, to apportion the voyage limitations by unilateral action to the various lines, which will place the United States in default in these contracts.

It should be noted that in the event of such default the Merchant Marine Act, 1936, by section 611, provides that a company against which such default is effected acquires automatically the right to transfer to foreign registry the vessels covered by any operating-differential subsidy contract held by it. It is interesting to note that this

defense against default by the Government in these subsidy contracts is specifically excepted under the provisions of the bill, S. 1704, recently passed by the Senate to prevent the transfer of ships owned or partly owned by a citizen or corporation of the United States to foreign-flag registry.

The best ships of the American merchant marine fleet are involved in this question. In a national emergency and with the difficult world situation which exists today this is no time to be opening such an avenue of escape to ships which are urgently needed under the American flag in our own defense. The only defense against such flight from the American flag is Government purchase or requisition for title.

**MEMORANDUM RE CONFERENCE REPORT ON H. R. 3880 (INDEPENDENT OFFICES APPROPRIATION BILL) AMENDMENTS NOS. 87-88**

Following the end of World War II, the Government requested the 14 subsidized operators having contracts to resume operations under the contracts. This was accomplished with the understanding by the Maritime Commission and congressional committees, that the prewar contracts would be amended to cover the changed conditions of postwar operations.

A. Resumption amendments to the contracts were finalized by the former Maritime Commission with eight companies. (In the case of United States Lines, the prewar contract for passenger services only, was finalized.)

B. The Federal Maritime Board finalized amendments with two companies. (In the case of American Export Lines, the Israeli service contract was not finalized.)

C. Negotiations toward finalizing amendments to prewar contracts with five companies are presently going forward. (These negotiations cover the United States Lines cargo service and the American Export Lines Israeli service mentioned above.)

The number of ships and voyages provided for in the above agreements are as follows:

	Number of vessels	Voyages		Estimates for budget purposes
		Required minimum	Permissible maximum	
Group A.....	121	505	604	654
Group B.....	64	312	379	361
Group C.....	71	444	477	460
Total.....	256	1,261	1,550	1,475

Applications for subsidy contracts are pending with seven companies. The total number of ships and voyages in pending applications are as follows:

Number of vessels.....	43
Required minimum.....	292
Permissible maximum.....	367
Estimates for budget purposes.....	48

Four of the pending applications are by new companies not previously having subsidy contracts. Their requests are as follows:

Number of vessels.....	27
Required minimum.....	119
Permissible maximum.....	153
Estimates for budget purposes.....	48

There are three applications pending for new services by present contractors. The number of ships and voyages for this group are:

Number of vessels.....	16
Required minimum.....	173
Permissible maximum.....	214

Total number of ships and voyages provided for by contracts and pending applications:

Number of vessels.....	299
Required minimum.....	1,553
Permissible maximum.....	1,917
Estimates for budget purposes.....	1,523

The Thomas amendment (Nos. 87 and 88) in the House Conference Report 753, independent offices bill, provides a limitation of 1,522 voyages with the direction that 307 of these voyages "be set aside for companies which have not participated heretofore in these [differential operating] subsidies."

The effect of the above limitation is to reduce to 1,215 the number of voyages available to service outstanding contracts which, as shown above, total 1,475 voyages. This is 260 voyages short of the number of subsidized sailings that will be made by the contractors and 335 short of the maximum number of voyages permitted by the contracts.

If the report is finally adopted, two alternatives are open:

- (1) either a supplemental appropriation will be necessary, or
- (2) the Government will unilaterally default on its obligations.

If the latter course is followed, under the provisions of the 1936 act, subsidized operators, on a default by the Government, can transfer their entire fleets to foreign registry. From a national-defense standpoint, this cannot be permitted. The only way it could be stopped would be for the Government to requisition vessels for the Government account, an exceedingly expensive undertaking.

Earmarking 307 voyages to service new applications of companies which have not heretofore had subsidy contracts puts in excess of 150 voyages in the "deep freeze," not available for anyone's use. If the maximum number of voyages applied for is used as the basis for calculating the loss, the result is:

Earmarked voyages 307, less maximum voyages requested in applications pending for companies not having subsidy contracts, 153, leaving 154 voyages which will not be assigned to other pending applicants.

The disparity is even greater when the minimum figures are used:

Earmarked voyages 307, less minimum voyages requested in applications pending for companies not having subsidy contracts 119, leaving 188 voyages which will not be assigned to other pending applicants.

The report further deletes the Senate amendment continuing the obligational authority of the Federal Maritime Board to enter into future contracts. This authority is necessary if we are to follow the dictates of the 1936 act and have a merchant marine sufficient to service our commerce and provide for the national defense.

Mr. MAGNUSON. Mr. President, I hope and I know that the Senator from South Carolina [Mr. MAYBANK] and the Senator from Massachusetts [Mr. SALTONSTALL], who also have an understanding of this question, will join with me, during the consideration of a supplemental appropriation bill, again to present this problem to the Appropriations Committee.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. SALTONSTALL. From my knowledge of the problem, in connection with the liability of the Government, I may say to the Senator from Washington that I am heartily in favor of trying to work out some amendment on a supplemental appropriation bill, but we must realize that there are some Mem-

bers of the House who are adamant in the position they take on this subject.

Mr. MAGNUSON. I understand there is one gentleman there who is certainly in that category. I say that if those of that school of thought desire that there shall be some new operators, some new people in the business, the voyages should be made available. The provision in the report freezes the American merchant marine in the present time of emergency. It goes further than freezing it, it cuts it down. New applicants cannot even apply because they are in deep freeze.

I appreciate the legislative situation which makes the problem somewhat difficult. As I told the Senator from South Carolina, I contemplated making a motion to recommit the report, but I appreciate that there are many other items in the bill. The provision affecting shipping is only one of the major portions of the bill. I want the Senate to realize what is being done in this matter so that we can speedily correct the House position, as I hope will be done.

Mr. MAYBANK. I appreciate the Senator's not moving to recommit.

During the delivery of Mr. MAGNUSON'S speech,

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MAGNUSON. For what purpose does the Senator request that I yield?

Mr. CHAVEZ. I should like to ask several short questions of the Senator from South Carolina in regard to the conference report on House bill 3880.

Mr. MAGNUSON. I yield for that purpose.

Mr. CHAVEZ. In connection with amendment No. 107, what are the Public Housing Administration expenses not otherwise specifically limited in the Appropriation Act, which, if the report of the committee of conference were approved, would be limited to \$33,000,000 for the fiscal year 1952?

Mr. MAYBANK. Mr. President, I appreciate being asked that question, because the matter is highly technical. I should like to state for the RECORD exactly how the amendment will apply: That limitation refers to the items listed in the table appearing at page 722 of the Senate hearings. In general, they are the expenses of maintenance and disposition of federally owned and operated housing for which the Public Housing Administration is responsible. It does not cover certain other types of expense such as, for example, interest payments to the Treasury on borrowed funds and net losses from operation and rehabilitation of farm labor camps, and so forth. I mention that point because I know the great interest of the Senator from New Mexico in the farm labor camps. The amendment does not cover that subject. The budget estimates for the items listed in the record of the hearings totaled \$34,517,896. So the committee action, if approved, would effect a reduction of \$1,517,896.

Mr. CHAVEZ. Mr. President, I should like to ask a further question.

Mr. MAGNUSON. I yield.

Mr. CHAVEZ. I ask these questions because I think the answers to them should appear in the RECORD.

Mr. MAYBANK. That is correct, because the Department of Labor-Federal Security bill of the distinguished Senator from New Mexico refers to matters of this kind, including farm labor camps; and I think the answers to the Senator's questions should appear in the RECORD in that connection.

Mr. CHAVEZ. In connection with amendment No. 104, what are the Federal Housing Administration expenditures for nonadministrative expenses classified by section 2 of Public Law 387, approved October 25, 1949, which, if the report of the committee of conference were approved, would be limited to \$23,300,000 for the fiscal year 1952?

Mr. MAYBANK. The limitation of \$23,300,000 includes all expenses of the Federal Housing Administration in connection with the examination and insurance of loans or investments under any title of the National Housing Act, all properly capitalized expenditures, and other necessary expenses not attributable to general overhead in accordance with generally accepted accounting principles; it does not include the payment of insurance claims and other expenditures—including services on a contract or fee basis, but not including other personal services—in connection with the acquisition, protection, information, operation, maintenance, improvement, or disposition of real or personal property of the Federal Housing Administration acquired under the authority of the National Housing Act.

The committee of conference is simply recommending that, for the fiscal year 1952, the Federal Housing Administration shall be subject to the dollar limitation of \$23,300,000, as to the items of nonadministrative expenses which otherwise, under section 2 of Public Law 387, approved October 25, 1949, would be subject to the percentage limitation of 35 percent of the Federal Housing Administration's income from premiums and fees received during the fiscal year 1951.

Mr. CHAVEZ. I thank the Senator from Washington for yielding, and I also thank the Senator from South Carolina.

Mr. MAYBANK. It has been a pleasure to discuss this matter with the Senator from New Mexico. I know, in particular, how deeply interested he is in the first amendment, which concerns housing.

Mr. CHAVEZ. I thought the questions should be asked, because I believe the entire Senate will be interested in the answers the Senator from South Carolina has given.

I thank him and I thank the Senator from Washington for yielding.

Mr. KNOWLAND. Mr. President, will the Senator yield for a brief announcement in regard to the conference report?

Mr. MAGNUSON. I am discussing the conference report now. Nevertheless, I yield.

Mr. KNOWLAND. I have just come from a meeting of the Joint Committee

on Atomic Energy, and I must return to that meeting.

I wish to ask the able Senator from South Carolina, the chairman of the committee of conference on the independent offices appropriation bill, why it was felt necessary to apply the restriction on employment to the Atomic Energy Commission.

Of course, the able Senator from South Carolina is familiar with the fact that in a large measure the atomic energy work today fits in with our entire defense program. The limitations do not apply generally to the defense program.

I notice that there were a number of exceptions, which are set forth in the conference report.

I can fully understand how those limitations could apply to Federal agencies of a static character. However, in view of the accelerated atomic energy program under which this country is now operating, and in view of the great necessity to continue to operate that program at an accelerated rate, I merely wish to say to the able Senator from South Carolina, the chairman of the conference committee, that the Atomic Energy Commission is so concerned about this matter that it feels that in the supplemental bill which is now being heard before the House committee the Commission will have to ask for exceptions in these cases. Otherwise the work will be seriously handicapped.

Mr. MAYBANK. I may say to the Senator from California that I thoroughly agree with what he has said. The Senate conferees did their best to exempt atomic-energy personnel; but they were not exempted. I also wish to say that I have talked with atomic energy officials. The Senator from Connecticut [Mr. McMAHON] submitted a long statement, which was read at the meeting; but the conferees could not come to any agreement on the subject. I think, as does the Senator from California, and I am hopeful, that provision covering the matter can be made in a deficiency bill. I understand a deficiency bill will be reported shortly. However, the Senate conferees did the best they could.

Mr. KNOWLAND. I merely wanted the Senator to know that the matter is considered so serious that there is, I believe, a supplemental bill which is now pending, on which some hearings have been held before the House committee. It is felt that if the program is not to be severely handicapped, it will be necessary to ask for these exemptions.

Mr. MAYBANK. I may say that, as chairman of the committee, I shall join with the Senators from California and Massachusetts in an effort to provide the desired exemptions, because the atomic energy activity is a No. 1 item in the national defense.

Mr. SALTONSTALL. Mr. President, will the Senator from California yield for a question?

Mr. KNOWLAND. I yield.

Mr. SALTONSTALL. I agree with what the Senator from South Carolina says. When we met in conference, the House conferees came forward with the so-called Jensen amendment, as modified. One of the modifications was the

removal of the application of the exemptions from certain employees. Therefore, so far as the Senate conferees were concerned, they had to take the Jensen amendment about as it was, and then try to work it in with the Ferguson amendment.

Mr. KNOWLAND. If the Senator will permit me, I understand that when the Jensen amendment went into the bill in the House, in the first place, the Atomic Energy Commission was excepted from its provisions.

Mr. MAYBANK. That is correct.

Mr. SALTONSTALL. That is correct; and then the House conferees came forward with a modified Jensen amendment which struck out the Atomic Energy Commission, and another group of employees, and changed the limitation from 80 to 90 percent.

Mr. MAYBANK. In the first conference, the Senate conferees were unable to do that.

Mr. KNOWLAND. I think the Senator from South Carolina and the Senate should be on notice that this matter is so serious that it will have to be taken up at the earliest possible moment.

Mr. MAYBANK. Since the Jensen amendment has been brought up, if the Senator from Washington will permit, I desire to make a short statement as to my understanding of it. In the filling of vacancies under the revised Jensen amendment, it is the intent of the conferees on the bill that the agencies should maintain the average level in the respective personnel grades, rather than retain the higher-level positions at the expense of the lower-level positions. I trust that the Senator from Massachusetts, as well as the other Senators, had that same thought. It was my definite understanding that they were not going to discharge employees in the lower-level positions and those in the higher-level positions would be retained. I want our position to be clear in the RECORD.

Mr. WHERRY and Mr. LONG addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Washington yield; and, if so, to whom?

Mr. MAGNUSON. Mr. President, I am speaking to the conference report. I have yielded generously, but I ask unanimous consent that, when I yield for a colloquy between other Senators, the colloquy be placed in the RECORD, following my remarks on another very important phase of the conference report.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MAGNUSON. I yield to the Senator from Nebraska.

Mr. WHERRY. I am not sure that this question should be addressed to the distinguished Senator from Washington. I am interested in the last statement which was made by the distinguished chairman of the conference, the Senator from South Carolina, but possibly the Senator from Washington could answer the question; I am not sure. If I remember correctly, I think this is the first time that any conference has officially agreed on the so-called combina-

tion Jensen-Ferguson amendment. Is that not correct?

Mr. MAYBANK. The Senator is absolutely correct. That occurred at our second conference. The conferees worked very hard, and I am glad to report that the members of the conference, aside from myself, deserve credit for the work which they did. That is why I am hopeful that the conference report will be agreed to, because there is no appropriation bill which has been passed by either House as yet, except bills which are unaffected by the Jensen amendment.

Mr. WHERRY. Mr. President, will the Senator from Washington yield further?

Mr. MAGNUSON. I yield to the Senator from Nebraska.

Mr. WHERRY. I think that is highly important. It seems to me there has been a determination by one conference as to a compromise Jensen-Ferguson amendment, however it may be designated.

Mr. MAYBANK. The purpose was to break the deadlock in the conference.

Mr. WHERRY. It could be followed further by other conferees, in connection with the same subject matter. Of course, there are other exceptions which might have to be made in the various appropriation bills, since they affect different bureaus; but the distinguished chairman of the conference committee on the part of the Senate is a very important member of the Appropriations Committee, as is the assistant minority leader, the Senator from Massachusetts [Mr. SALTONSTALL]. I am wondering whether it is now the idea of the members of the Appropriation Committee that so far as they are concerned, this will be a matter for determination by another conference on which they will sit.

Mr. MAYBANK. I can only say to the Senator from Nebraska, my distinguished colleague, who is on the Appropriations Committee with me, I cannot answer as to that. The distinguished chairman of the Appropriations Committee [Mr. McKELLAR] is now presiding over the Senate. He is in charge of the civil-functions bill, the Senator from New Mexico [Mr. CHAVEZ] is in charge of the labor and Federal security bills and other members of the committee are in charge of other appropriation bills. I can only speak with respect to this particular bill.

Mr. WHERRY. I want to say to the distinguished Senator from South Carolina that I think a very difficult situation was confronted, and the fact that the conference committee on this bill has finally ironed it out is commendable. I hope that this is a satisfactory formula, which may be applied to other appropriation bills involving similar questions.

Mr. President, I ask unanimous consent that all this colloquy be placed in the RECORD following the remarks of the distinguished Senator from Washington.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MAYBANK. Mr. President, I move that the Senate agree to the conference report.

Mr. LONG rose.

Mr. MAYBANK. I presume the Senator from Louisiana desires to speak about the Inland Waterways Corporation?

Mr. LONG. Yes.

Mr. MAYBANK. I wonder if the Senator would defer until action has been taken on the report.

Mr. LONG. Yes.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

Mr. MAGNUSON. Mr. President, I feel so strongly about the matter to which I have addressed myself that I wish to have my vote appear in the RECORD. Inasmuch as the motion was made to agree to the conference report and only two or three Senators voted "aye," I want the RECORD to show that the Senator from Washington, because of the importance of the matter involved, alone voted "no." I presume I am the only Senator who voted "no."

Mr. MAYBANK. I may say for the RECORD that in the conference committee I voted "no" several times.

Mr. President, I ask the Chair to lay before the Senate the message from the House.

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 3880, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,  
August 15, 1951.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 8, 13, 35, 87, 98, 102, 109, 110, and 112 to the bill (H. R. 3880) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1952, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 39, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "\$100,000."

That the House recede from its disagreement to the amendment of the Senate numbered 45, and concur therein with an amendment, as follows: At the end of the matter inserted by said amendment, and before the period, insert a comma and the following: "but such nonadministrative expenses shall not exceed \$374,000."

That the House recede from its disagreement to the amendment of the Senate numbered 60, and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert: "\$18,350,000" and on page 29, line 15, of the bill, after the comma where it appears the second time insert "\$11,700,000 of."

That the House recede from its disagreement to the amendment of the Senate numbered 86, and concur therein with an amendment as follows: In line 3 of said amendment, after the word "Commission", and before the comma, insert "and the Tennessee Valley Authority."

That the House recede from its disagreement to the amendment of the Senate numbered 88, and concur therein with an amendment as follows: In lieu of the matter pro-

posed by said amendment insert: "1,522, of which 307 voyages shall be for vessels owned by companies or individuals who, on July 1, 1951, had no operating-differential subsidy contract with the Federal Maritime Board, and."

That the House recede from its disagreement to the amendment of the Senate numbered 113, and concur therein with an amendment as follows: Restore the matter stricken out by said amendment, and insert the matter proposed by said amendment, amended as follows: In line 1 of said amendment, after "Sec.", strike out the figure "603", and insert "604."

That the House insist upon its disagreement to the amendment of the Senate numbered 108 to said bill.

Mr. MAYBANK. Mr. President, I move that the Senate agree to the amendments of the House to the amendments of the Senate numbered 39, 45, 60, 86, 88, and 113.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from South Carolina.

The motion was agreed to.

Mr. MAYBANK. Mr. President, I now move that the Senate recede from its amendment No. 108.

Mr. LONG. Mr. President, I ask the Senator from South Carolina what effort was made by the conferees on the part of the Senate to retain that amendment in the bill. It is the amendment involving the Inland Waterways Corporation.

Mr. MAYBANK. The Senator is correct. That is the amendment to the bill sponsored by the Senator from Louisiana, which the Senate adopted, but which the House refused to adopt. It is an amendment dealing with inland waterways transportation. I thoroughly agree with what the Senator from Louisiana said on the floor 6 weeks ago. The conferees on the part of the Senate did their best in conference to retain the amendment in the bill.

Mr. LONG. Mr. President, I do not believe the House, if it understood that amendment, would want to disagree to it. The amendment proposes that action be taken by a Government-owned corporation whereby that Government-owned corporation could operate at a profit. Some simply do not seem to want that corporation to operate at a profit, so invariably we see them maneuvering to prevent the Inland Waterways Corporation, a Government corporation, from operating with efficiency, as it should.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. SALTONSTALL. I wish to say to the Senator from Louisiana that I agree with what the Senator from South Carolina has said. We tried to retain the amendment in the bill. It was the feeling of the House conferees, however, that the amendment dealt with a matter which should be the subject of a special bill, and should not be included in an appropriation bill. It is their feeling that the subject should come up in that way, so consideration can be given to whether we should drop the whole Inland Waterways Corporation, or, if the Government were not to drop it, whether it should then be given the authority to do what

is necessary to make it successful financially. I agree with what the Senator from Louisiana has said, and with the purpose of his amendment. However, the Senate conferees worked under the difficulty to which I have called attention.

Mr. LONG. Mr. President, the amendment merely would authorize the corporation to do what it already has the power to do, that is to borrow some money on the equipment it has in order to modernize the Federal Barge Lines. The corporation is in the same position as one would be if he were trying to operate a trucking line with old broken-down model-T Fords, and his drivers had to spend half their time on the road trying to repair the trucks and get them to operate. Some of the equipment of the Inland Waterways Corporation antedates World War I. It is out of date. Its barges move at about one-third the speed that a modern barge should move today. The towboats handle far less barges than they should, thus requiring more manpower to operate the business.

The stock of the Corporation is owned by the Government. Any independently, privately owned corporation in the United States could have made such a loan. Banks are willing to make such a loan to them. The amendment, which provides that the credit of the United States Government will in no wise be pledged, and that the loan will be made purely on the assets of the Corporation, is designed to prevent the Corporation from losing money, to put it in the black, so that it may make money for the Government. Attorneys were of the opinion that the Corporation had the authority to take the action proposed, but to make sure there would be no doubt about it, the amendment incorporated language in the bill saying that the Corporation could borrow money, and pledge the equipment it had, so as to modernize its floating plant, thereby improving its operation.

As I said, Mr. President, there is no doubt that such action would have saved money in the operation of the Corporation. It would have prevented loss and given better service to those who rely upon this Government facility.

Mr. President, I am not opposed to selling the Federal barge line, turning it over to some private group, but if we are going to do it we should preserve the less-than-barge-load service in order that the tens of thousands of independent merchants up and down the Mississippi River may have the benefit of the lower rates which come with less than barge-load shipments on the waterways.

There are Senators from some of the Western States who would like to see the Federal barge lines open up navigation on some of the new navigation routes, particularly on the Missouri River. I hope that we may, at least in the future, have this matter considered again in connection with a supplemental appropriation bill, in order that the House may have a chance to understand what the amendment is and may act favorably on it.

Mr. MAYBANK. Mr. President, I assure the Senator from Louisiana that so far as I am concerned, I shall be only

too glad to have the matter considered again, not only because of the excellent presentation made by the Senator from Louisiana on the floor when the bill was under consideration, and also today, but also because of the fact that the Secretary of Commerce says that he does not wish to operate this line at a tremendous loss and that he should be given authority to repair some of the old barges which the Senator compared to model-T Fords.

Mr. HOLLAND. Mr. President, I note that our colleague, the Senator from Illinois [Mr. DOUGLAS] is not on the floor. I would therefore like to ask a question of the distinguished chairman of the committee. Does the amendment proposed by the Senator from Illinois, generally referred to as the Douglas amendment, which affected a reduction of annual leave to certain classes of civilian employees of the Federal Government from 26 days to 20 days, remain in the bill as reported by the conference committee?

Mr. MAYBANK. Yes, it does. The conferees agreed to it.

Mr. HOLLAND. Will the Senator yield for a further question?

Mr. MAYBANK. Yes.

Mr. HOLLAND. Will the Senator state for the RECORD as of what time the so-called Douglas amendment becomes effective under the conference report?

Mr. MAYBANK. It becomes effective as of July 1, 1951. The Senator will find the amendment on page 10054 of the CONGRESSIONAL RECORD. It is rather long, so I shall not read it.

Mr. HOLLAND. The Douglas amendment then, as reported by the conferees, becomes effective as of July 1, 1951.

Mr. MAYBANK. Yes, it does, unless some subsequent measure is passed by the House in keeping with what the Senate adopted, which is now before the House. Such a bill would have to become law. Of course, as the Senator knows, any later law would supersede that action.

Mr. HOLLAND. I thank the Senator.

I wish to ask another question on the same subject. I understood that in conference there was some discussion of the difference between the civil service employees affected by the Douglas amendment and the so-called blue-collar workers in the Government employment, but particularly in the naval bases and such types of activities. Will the Senator state for the RECORD what if anything was done in the conference, and as presented in the conference bill, that protects the rights of the so-called blue-collar workers to receive treatment similar to that which is given to employees of private industry in the particular area?

Mr. MAYBANK. I may say to the distinguished Senator from Florida that there was so much in conference on the subject of leave, and there were so many bills on the subject at the time we had our first conference, that we adopted amendment numbered 112. The statement in that connection is as follows:

Amendment No. 112: Limitation on annual leave to civilian officers and employees: Reported in disagreement. If changes made by this amendment in annual leave give to

the blue-collar workers an hourly pay scale lower than that prevailing in the area as paid by private industry for the same or similar type of work, the wage board or administrative authority, having authority to adjust or fix the salaries of such employees, is directed to adjust all rates set by them to place said blue-collar workers on a parity with rates of pay in the area as paid by private industry for the same or similar type of work.

We had a long discussion on that subject. The able Senator from Massachusetts [Mr. SALTONSTALL] offered this amendment, as I recall, as a substitute for all the amendments so far as the white-collar and blue-collar workers were concerned.

Mr. HOLLAND. Is the Senator from Florida now correct in his understanding that under the amendment reported from conference, amendment numbered 112, blue-collar workers are so affected in this bill as to be given the assurance that the adjustment boards in the several areas will put them upon a parity, or upon an equal status with employees in private industry in those particular areas?

Mr. MAYBANK. That is my understanding of the amendment offered by the Senator from Massachusetts. He and I conferred at length on the subject.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. SALTONSTALL. I confirm everything the Senator from South Carolina has said. As I understand the situation, so long as the rider to this appropriation bill applies, there is a direction to the supervisors in the various localities to make an adjustment. There is an amendment in the so-called leave bill which is now pending in the House, having been passed by the Senate. If that bill becomes the law of the land, and this rider ceases to apply, there is a provision in that bill on this particular subject which I hope and trust would make an adjustment possible, so that in changing the leave status we shall not cut down the pay of the blue-collar workers.

Mr. HOLLAND. I thank the Senator. The Senator from Florida joins the Senator from Massachusetts in the hope which he has just expressed.

If I may I should like to ask one further question of the distinguished chairman. Is it correct that the postal workers still remain unaffected by the provisions of this bill, and will have to look to future legislation, still pending, to bring them up to parity, so far as the terms of annual leave are concerned, with other employees of the Government?

Mr. MAYBANK. The Senator is correct.

Mr. HOLLAND. I thank the Senator. Mr. CASE. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. CASE. The junior Senator from South Dakota did not quite catch the reply of the Senator from Massachusetts to the question asked by the Senator from Florida.

Mr. MAYBANK. I am glad to yield to the Senator from Massachusetts.

Mr. CASE. What was the statement which the Senator from Massachusetts made with respect to the situation if the House should consider and pass the graduated-leave bill which the Senate passed?

Mr. SALTONSTALL. Mr. President, it is my understanding that the rider in this appropriation bill applies until the so-called leave bill becomes law. The House has not passed the leave bill. This rider, so far as it is applicable, would apply. If the House passes the leave bill, it is my understanding that this rider will pass out of the picture.

Mr. CASE. It would be superseded by general legislation. But does this rider, as it appears in the bill as it comes from conference, apply to the entire field, or only to the agencies covered in the bill?

Mr. SALTONSTALL. It is my understanding that it applies to the entire field except the postal service.

Mr. CASE. In that sense, it is a reduction from the present 26-day leave provision to 20 days, but it does not raise the leave of the postal workers from 15 days to 20 days.

Mr. SALTONSTALL. That is my understanding.

Mr. MAYBANK. That is my understanding. I thoroughly agree with what the distinguished Senator from Massachusetts has said. It applies to all Government agencies except the Post Office Department.

Mr. CASE. Did the distinguished Senator from South Carolina get any indication of the attitude of the House with regard to the pending graduated-leave bill?

Mr. MAYBANK. Of course, the members of the conference were members of the Appropriations Committee, as the distinguished Senator from South Dakota well realizes. I would not like to say on the floor of the Senate anything except that some of them thought that perhaps the bill which the Senate passed and sent to the House might become law. Others did not think so. In other words, there was a difference of opinion.

Mr. CASE. I thank the Senator.

Mr. MAYBANK. Mr. President, I move that the Senate recede—

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. MAYBANK. I yield.

Mr. SALTONSTALL. I have just been informed that the Senator from Michigan [Mr. FERGUSON] is very anxious to be present to ask questions with relation to the Ferguson-Jensen amendment before final action is taken on the bill.

Mr. MAYBANK. Mr. President, I have been here since 12 o'clock. I notified Senators yesterday, through the CONGRESSIONAL RECORD, that we would consider the conference report today. I think it is about time for me to get some lunch.

Mr. McMAHON. Mr. President, will the Senator yield for a moment?

Mr. MAYBANK. Of course, I shall abide by the wishes of the Senator from Massachusetts.

Mr. SALTONSTALL. If we cannot get the Senator from Michigan into the Chamber within the next 5 minutes, I shall not ask the Senator to wait longer.

Mr. MAYBANK. Yesterday I asked Senators who were interested in the conference report to be present today.

I now yield to the Senator from Connecticut.

Mr. McMAHON. I shall detain the Senator for only a few moments.

I understand that the Senator from California [Mr. KNOWLAND], who is a member of the Joint Atomic Energy Committee, has had a conversation with the Senator based upon some testimony which was developed this morning at a meeting of the Joint Committee on Atomic Energy with the Atomic Energy Commission. I understand that the Senator from South Carolina has assured the Senator from California that he is aware of the situation.

Mr. MAYBANK. The Senator is correct. I made the statement to the Senator from California that the letter

which the distinguished Senator from Connecticut sent to the committee was read by the chief clerk of the committee to the full conference committee. It was listened to and argued. The Senate conferees did the best they could. We regretted that because of another meeting that morning the Senator from Connecticut could not be present, but I assure him that his letter was read and placed in the record of the conferees.

Mr. McMAHON. I thank the Senator. I merely wish to place in the RECORD at this point a short table showing the amount of money which the Atomic Energy Commission had available for operations during the past 5 years, as well as the average employment.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Analysis of costs by fiscal years compared to average employment and dollars

Fiscal year	Operations	Plant and equipment	Total costs incurred	Average AEC employment		Percent of AEC employment costs to total operating costs	Percent of AEC employment costs to total costs
				Average monthly	Amount		
	Millions	Millions	Millions				
1949	\$293.5	\$337.9	\$631.4	4,891	\$20,578,848	7.0	3.3
1950	310.6	256.1	566.7	4,839	22,220,301	7.1	3.9
1951	400.8	458.9	859.7	5,125	24,955,679	6.2	2.9
1952 (estimated)	610.0	1,071.0	1,681.0	6,787	33,405,336	5.5	2.0

Mr. McMAHON. The amount of money which we are spending for plant and equipment, and the average AEC employment are shown on the table. The situation is very startling. In 1949 we spent \$293,500,000 on operations and \$337,900,000 on plant and equipment. The average employment of the Atomic Energy Commission at that time was 4,891.

In 1952 we are going to spend \$610,000,000 on operations and \$1,071,000,000 on plant and equipment, or a total of \$1,681,000,000, as against \$631,400,000 in 1949.

We have projected 6,787 employees. Under the provision in the conference report we shall not be able to have 6,787 employees, but we must decrease the number which we have now, 5,125. It does not make sense, when there are 100,000 employees working, instead of 65,000, to reduce the number of management personnel who are placed in their positions to watch those employees and see that things are done right, from 5,125 to a figure below that number, instead of the 6,787 which we need. We are watching the spigot and letting it run out the bung hole. If the supplemental appropriation does not clear the situation we shall have to make a frontal attack on the floor of the Senate, and have it out, because if we are to exempt the Defense Department and are not going to exempt the Atomic Energy Commission, the procedure is just as silly as it could be.

I cannot understand why the conferees, when they had the facts before them, did not come to the right conclusion.

Mr. MAYBANK. I can speak only for the Senate conferees. I want the RECORD to show that we did the best we could.

as the Senator from Connecticut knows. All legislation is a compromise. The House conferees compromised on housing. The Senate conferees compromised on other items. This appropriation bill contains items totaling in excess of \$6,200,000,000. It is the first compromise bill we have been able to bring out of conference. It is the first compromise on an appropriation bill at this session. Those are the facts, and I know that my friend from Connecticut understands my statement to be accurate.

Mr. McMAHON. I appreciate the fact that the Senator from South Carolina did the best he could. I understand that the difficulty was with the House conferees. Everyone wants these programs to go forward at full speed. Certainly the security of the United States is predicated more, in my opinion, on the size of the atomic stockpile than it is on any other single thing.

Mr. MAYBANK. I agree with the Senator from Connecticut. I hope we can join in securing a provision in the deficiency appropriation bill to correct the mistake.

Mr. LONG. Mr. President, will the Senator yield?

Mr. McMAHON. No harm will be done, because we were very much in agreement in the Joint Committee on Atomic Energy this morning that the Commission should go ahead without discharging anyone, on the theory that we shall be able to secure a supplemental appropriation. I realize that no one is entitled to defy the law.

Mr. MAYBANK. I would not defy the law.

Mr. McMAHON. Oh, no.

Mr. MAYBANK. I agree with the Senator that the law should not be defied.

Mr. McMAHON. The suggestion was made this morning that the Commission farm out some of its employees to contractors. I said, "Nothing doing. We will not do that. That would be a subterfuge." What the Commission can do is to retain its present employees, on the theory that the situation will be cured in a deficiency appropriation bill. If it is not cured in a deficiency appropriation bill, the Commission will have to discharge double the number of employees in order to comply with the law for the remainder of the year.

Mr. LONG. Mr. President, will the Senator yield.

Mr. MAYBANK. Yes.

Mr. LONG. Are we to understand that under this amendment it will be necessary for the Atomic Energy Commission to cut back on the number of its employees at this time?

Mr. MAYBANK. The Senator is correct.

Mr. LONG. At a time when the Nation is in great peril, and we need to expand the production of atomic weapons?

Mr. MAYBANK. Yes.

Mr. LONG. In other words, if any employee shall leave, no new employee can be employed except in accordance with the formula set forth in the bill?

Mr. MAYBANK. The same principle applies to the Atomic Energy Commission that applies to other agencies, such as the General Services Administration, except with respect to certain exemptions. However, in justice to the House conferees I wish to say that they referred to what the Senator from Connecticut has mentioned, namely, the huge supplemental appropriation bill which will come before the Congress. I understand it will be brought up before October 1. That statement should be made in justice to the House conferees.

Mr. LONG. I merely desired to point out how ridiculous the amendment is when it is applied to the Atomic Energy Commission.

Mr. MAYBANK. The Senator from Louisiana knows how I feel about it. I never voted for it on the floor of the Senate or in conference.

Mr. LONG. Certainly no one will charge that the Atomic Energy Commission is run by a man who would pad the payroll of the Commission. The present Manager of the Atomic Energy Commission was a former vice president of the Standard Oil Co. in charge of production. He is the former manager of one of the largest oil refineries in the country, the one at Baton Rouge, La. He is recognized as one of the ablest engineers and best managers in the country. He left his position with the Standard Oil Co., in which he was paid several times what he receives in his present employment. He took his present position at great personal sacrifice. He receives really only a fraction of what he received in private employment. Nevertheless, the amendment before us assumes that a man of that type would pad a payroll, when he is trying to save the Nation.

Mr. McMAHON. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. Yes.

Mr. McMAHON. I should like to say to the Senator from Louisiana [Mr. LONG] that I am very much pleased to have him compliment our good friend, Mr. Boyer. I am delighted that Mr. Boyer is with the Commission.

Mr. MAYBANK. There is no better man.

Mr. McMAHON. I am also bound to say that the Commission continues to function very well. There is too great a tendency on the part of some persons to tear a person's insides out, as it were, by criticism. However, when a person is doing a particularly good job, very little or nothing is said about him. Of course, mistakes have been made. Undoubtedly more mistakes will be made. The Commission has the toughest program in our Government to administer. It is the greatest manufacturing organization in the world. They are operating the organization in a free country and under a free economy. All their employees who have access to restricted material must be investigated by the FBI. On the whole, I believe they have done pretty well. Of course they have made mistakes. It is a field of work in which they must take calculated risks, to use a military expression. Some of them pay off, and some of them do not pay off. The Commission, composed of Gordon E. Dean, as Chairman, and Messrs. Smyth, Pike, Glennan, and Murray, as Commissioners, are as fine a group of men as there is anywhere in the United States.

I am rather proud of the way they are performing their duty. It is a fine Commission. The members get along with one another. They are functioning harmoniously. We can well afford to go along with them when they bring a situation like this to our attention. I believe we can correct it in about 6 weeks without any harm being done to the program.

Mr. DIRKSEN. Mr. President, if there were a choice possible, I would be opposed to the conference report. I know that it is necessary to vote the report down before it can be subject to amendment. I know we are long delayed on approving appropriation bills, and I sense the disposition of the Senate.

However, I would vote against the report, if for no other reason than that I am opposed to the item on public housing which is contained in it. For the month of July there were 82,000 or 86,000 private housing starts. That is the smallest number since 1946. With the limitations and restrictions which are imposed upon private building, to authorize public-housing projects of 50,000 units seems to me so illogical that I cannot support the proposal. I want the RECORD to show that if it were possible to vote against the report, I would do so. If a record vote were taken, I would vote against it.

Mr. FERGUSON. Mr. President, the Senator from Michigan would like to inquire of the distinguished Senator from South Carolina [Mr. MAYBANK] with respect to the amendment commonly referred to as the Ferguson amendment, which was adopted by the Senate. It called for a reduction of 10 percent in personnel from the budget estimate,

with certain limited exceptions. The conference version, which is a rewriting of the Jensen amendment and the Ferguson amendment, is now known as section 605. Does the Senator from South Carolina understand that the last proviso in that section contains and continues the Ferguson amendment with respect to a 10-percent cut, subject to a 2-percent increase from other items in the bill?

Mr. MAYBANK. The Senator is absolutely correct. It is impossible to go over the total amount appropriated. As the Senator remembers, from his attendance at the conference, the 2-percent difference between the limit on salaries and the total appropriation could be considered if it were shown to be justified and necessary.

Mr. FERGUSON. Is the Senator from Michigan correct in his understanding of the conference report that, notwithstanding the fact that there may be resignations, agencies cannot use more than 90 percent of the budget estimate, with the exception of the 2-percent provision applicable when there are limitations in the act?

Mr. MAYBANK. The Senator is absolutely correct.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MAYBANK. Yes.

Mr. SALTONSTALL. It is my understanding that the Jensen amendment applies up to 90 percent. If the Jensen amendment does not apply because there are no vacancies or resignations, then in those cases, where the amounts for personal services have been expressly limited to 90 percent of the budget, does the 90-percent item for personal services apply with a limit of 2 percent?

Mr. MAYBANK. That is correct.

Mr. SALTONSTALL. But the minute the Jensen amendment applies at 90 percent, the Ferguson amendment does not apply.

Mr. MAYBANK. That is correct.

Mr. President, I now ask that the Jensen amendment, which is a part of section 605, be printed at this point in the RECORD. Of course, it will be the law.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

*Provided further*, That when any department or agency covered in this act shall, as a result of the operation of this amendment reduce their employment to a figure not exceeding 90 percent of the total number on their rolls as of July 1, 1951, such amendment shall cease to apply and said 90 percent figure shall become a ceiling for employment during the fiscal year 1952 and if exceeded at any time during fiscal year 1952 this amendment shall again become operative: *And provided further*, That amounts for personal services, in those paragraphs where amounts for such personal services have been expressly limited in this act, may be exceeded by 2 percent of said limitation on personal services if said 2 percent is available from the total amount of any such appropriation or authorization.

Mr. FERGUSON. Mr. President, the fact is that the Ferguson limitation on personnel still exists.

Mr. MAYBANK. That is correct.

Mr. FERGUSON. Does the Senator from Massachusetts agree?

Mr. SALTONSTALL. I agree.

Mr. MAYBANK. The Senator is correct.

Mr. FERGUSON. With that understanding—

Mr. SALTONSTALL. I would say that the original language as written by me, was redrafted by Mr. COOPER; and the Senator from South Carolina [Mr. MAYBANK] and I went over it.

Mr. MAYBANK. We went over it as thoroughly as we could, in accordance with the wishes of the Senate.

Mr. FERGUSON. I understand that, and I wish the RECORD to show the facts.

I have no objection to the adoption of the conference report.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from South Carolina that the Senate recede from its amendment numbered 108.

The motion was agreed to.

Mr. MAYBANK. Mr. President, at this point I wish to state that this measure is in the amount of \$6,162,825,175, which is \$675,077,290 below the budget estimates.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had passed the bill (S. 349) to assist the provision of housing and community facilities and services required in connection with the national defense, with amendments, in which it requested the concurrence of the Senate.

The message notified the Senate that Mr. Rooney had been appointed a manager on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3709) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1952, and for other purposes, vice Mr. HEDRICK, excused.

#### NATIONAL DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 349) to assist the provision of housing and community facilities and services required in connection with the national defense, which were, on page 2, line 3, after "area" insert "all"; on page 3, line 2, after "announced", insert "published in a newspaper having general circulation within the critical defense housing area, and printed in the Federal Register"; on page 3, strike out lines 4 to 9 inclusive and insert: "(b) second, residential credit restrictions under the Defense Production Act of 1950 shall be suspended for such period or periods as the President shall determine to be appropriate and necessary to obtain the production of housing needed in such area for defense workers or military personnel"; on page 3, line 22, strike out "which are eligible for approval"; on page 5, line 18, after "involved", insert "but shall not, in any case, mean any public

housing authority, or its governing body, or any of its officers"; on page 6, line 4, strike out "Housing and Home Finance Administrator" and insert "United States"; on page 7, line 11, strike out "funds" and insert "fund"; on page 10, line 23, strike out "twenty-five" and insert "thirty"; page 13, strike out all after line 18 over to and including line 25 on page 14; on page 15, line 1, strike out "(f)" and insert "(e)"; on page 25, strike out all after line 2 over to and including line 11 on page 26, and insert:

(3) The mortgagor shall agree (1) to certify, upon completion of the physical improvements on the mortgaged property or project and prior to final endorsement of the mortgage, either (a) that the amount of the actual cost of said physical improvements (exclusive of off-site public utilities and streets and of organization and legal expenses) equaled or exceeded the proceeds of the mortgage loan or (b) the amount by which the proceeds of the mortgage loan exceeded the actual cost of said physical improvements (exclusive of off-site public utilities and streets and of organization and legal expenses), as the case may be, and (ii) to pay, within 60 days after such certification, to the mortgagee, for application to the reduction of the principal obligation of such mortgage, the amount, if any, so certified to be in excess of such actual cost.

On page 28, line 13, strike out "section." and insert "section."; on page 28, after line 13, insert:

(h) The Commissioner shall grant preference to applications for insurance under this title to mortgages covering housing of lower rents.

On page 30, line 7, strike out all after "provide" down to and including "housing," in line 9, and insert "housing in any areas (subject to the provisions of section 101 hereof)"; on page 30, line 11, strike out "temporary housing and"; on page 30, lines 16 and 17, strike out "To the maximum extent feasible and consistent" and insert "Consistent"; on page 31, lines 3 and 4, strike out "wherever feasible"; on page 34, lines 14 and 15, strike out "or for school construction or maintenance and operation"; on page 34, lines 16 and 17, strike out "(i) in the case of hospitals"; on page 34, strike out all after line 19 down to and including "be," in line 23; on page 35, line 1, after "725", insert "or"; on page 35, line 2, strike out "title II of said Public Law 815, or said Public Law 874"; on page 35, line 18, after "305", insert "(a)"; on page 37, strike out lines 4 to 8, inclusive, and insert "shall conform to the requirements of State and local laws, ordinances, rules, or regulations relating to health and sanitation, and, to the maximum extent practicable, taking into consideration the availability of materials and the requirements of national defense, any housing or community facilities, except housing or community facilities of a temporary character, constructed by the United States pursuant to the authority contained herein shall conform to the requirements of State or local laws, ordinances, rules, or regulations relating to building codes.

"(b) Before condemnation proceedings are instituted pursuant to this title or title IV, an effort shall be made to acquire the property involved by negotiation unless, because of reasonable

doubt as to the identity of the owner or owners, because of the large number of persons with whom it would be necessary to negotiate, or for other reasons, the effort to acquire by negotiation would involve, in the judgment of the Administrator, such delay in acquiring the property as to be contrary to the interest of national defense. In any condemnation proceeding instituted pursuant to this title or title IV, the court shall not order the party in possession to surrender possession in advance of final judgment unless a declaration of taking has been filed, and a deposit of the amount estimated to be just compensation has been made, under the first section of the act of February 26, 1931 (46 Stat. 1421), providing for such declarations. Unless title is in dispute, the court, upon application, shall promptly pay to the owner at least 75 percent of the amount so deposited, but such payment shall be made without prejudice to any party to the proceeding.

"(c) If any real property acquired under this title or title IV is retained after June 30, 1952, without having been used for the purposes of this act, the Administrator shall, if the original owner desires the property and pays the fair value thereof, return such property to the owner. In the event the Administrator and the original owner do not agree as to the fair value of the property, the fair value shall be determined by three appraisers, one of whom shall be chosen by the Administrator, one by the original owner, and the third by the first two appraisers; the expenses of such determination shall be paid in equal shares by the Government and the original owner"; on page 43, line 19, strike out all after "for" down to and including "purification," in line 20 and insert "recreation,"; on page 45, line 6, strike out all after "mean" down to and including "primarily" in line 7; on page 45, line 9, after "facilities", insert "police and"; on page 45, line 10, strike out "schools," and insert "libraries,"; on page 45, line 13, strike out all after "mean" down to and including "including" in line 14; on page 45, line 15, strike out "education,"; on page 45, lines 17 and 18, strike out "and other community services"; on page 45, after line 18, insert:

(e) "National defense" shall mean (1) the operations and activities of the Armed Forces, the Atomic Energy Commission, or any other Government department or agency directly or indirectly and substantially concerned with the national defense, (2) other operations and activities directly or indirectly and substantially concerned with the operations and activities of the Armed Forces and the Atomic Energy Commission, or (3) activities in connection with the Mutual Defense Assistance Act of 1949, as amended.

On page 45, line 19, strike out "(e)," and insert "(f)"; on page 45, line 22, strike out "(f)" and insert "(g)"; on page 45, line 25, strike out "(g)" and insert "(h)"; on page 46, after line 13, insert:

Sec. 316. Notwithstanding any other provision of this title, all functions, powers, and duties under this title and section 103 with respect to health, refuse disposal, sewage treatment, and water purification shall be

exercised by and vested in the Surgeon General of the Public Health Service.

On page 53, line 16, after the period, insert "The amendment made by this subsection shall be effective as of July 1, 1951.,"; on page 55, strike out lines 5 to 22, inclusive, and insert:

Sec. 602. (a) Section 605 of the Defense Production Act of 1950 is amended by striking out the period in the first sentence and inserting in lieu thereof the following: "And provided further, That no more than 6 percent down payment shall be required in connection with the loan on any home guaranteed by the Veterans' Administration pursuant to the Servicemen's Readjustment Act of 1944, as amended, and the cost of which home does not exceed \$12,000."

(b) The Defense Production Act of 1950, as amended, is further amended by adding after section 605 the following new section:

"Sec. 606. Not more than 20 percent down payment shall be required pursuant to section 602 or section 605 of this act in connection with the loan on any home not guaranteed by the Veterans' Administration and the transaction price of which home does not exceed \$12,000 nor more than 10 percent in connection with any such loan on any home the transaction price of which does not exceed \$10,000. The term of any loan referred to in the preceding sentence or in the last proviso of section 605 shall not be required to be less than 25 years."

On page 56, strike out lines 1 and 2, and insert "amended, is hereby amended—

"(a) by repealing the following provisos at the end of section 604 thereof: 'And provided further, That with respect to any temporary housing under the jurisdiction of the Administrator the maximum rental shall be that in effect on April 1, 1949, unless the Housing Expediter shall approve a petition for an increase in accordance with the fair net operating income formula in effect from time to time under the Housing and Rent Act of 1947, as amended, on grounds of hardship to the landlord: Provided, That if such housing is not in an area where rent control is in effect at the time pursuant to that act, an increase may be granted by the Administrator on the basis of such formula';

"(b) by inserting 'plus 100 percent of such value,' in clause (2) of section 605 (b) thereof immediately following 'Government's interest therein.,";

"(c) by adding at the end thereof the following new sections 611 and 612; and

"(d) by striking out the words 'is authorized' in section 605 subsection b (2) following 'the Administrator' and substituting the word 'shall.,"; on page 56, line 12, strike out "interest" and insert "interest.,"; on page 56, after line 12, insert:

Sec. 612. In order to assure the maximum utilization of such housing for defense purposes, the Administrator, notwithstanding any other provisions of this or any other law except provisions hereafter enacted expressly in amendment hereof, is authorized to establish income limitations for occupancy of any housing held by him under this act and, giving consideration to the ability of such tenants to obtain other housing accommodations, to require tenants, admitted to occupancy prior to the establishment of such income limitations and who have incomes in excess of limitations established by him, to vacate such housing.

On page 58, line 23, strike out all after "000,000" down to and including "areas" in line 24; on page 58, line 25, after "608." insert "(a)"; on page 59, after line 5, insert:

(b) Subparagraph (G) of section 301 (a) (1) of the National Housing Act, as amended, is hereby amended by adding before the period at the end of said subparagraph the following proviso: "Provided, That this subparagraph shall not apply to commitments made by the Association on or after the effective date of this proviso and prior to March 1, 1952, which do not exceed \$500,000,000 outstanding at any one time, if such commitments relate to mortgages (1) covering defense housing programed by the Housing and Home Finance Administrator in an area determined by the President or his designee to be a critical defense housing area, or (2) with respect to which the Federal Housing Commissioner has issued a commitment to insure pursuant to title VIII of this act, as amended, or (3) covering housing intended to be made available primarily for families who are victims of a catastrophe which the President has determined to be a major disaster."

On page 59, line 9, strike out "3"; on page 61, line 9, after "613." insert "(a)"; on page 61, after line 13, insert:

(b) The Housing Act of 1950, as amended, is hereby amended by adding immediately following section 504 a new section as follows:

"Sec. 504A. Any veteran who has not heretofore availed himself of the benefits of the Servicemen's Readjustment Act of 1944, as amended, for the purpose of acquiring or constructing a dwelling to be occupied as a home, if otherwise entitled thereto, and any veteran who availed himself of such benefits before the increase thereof provided for by the Housing Act of 1950, may qualify for a guaranteed housing loan to the extent of \$7,500, less any sums borrowed by such veteran on the same terms and conditions as to amortization and maturity as provided for in existing law, or any amendments thereto."

On page 61, line 17, strike out "July 1, 1953" and insert "June 30, 1953"; on page 62, line 12, strike out "July 1, 1953" and insert "June 30, 1953"; and on page 62, line 15, strike out "July 1, 1954" and insert "June 30, 1954."

Mr. MAYBANK. Mr. President, I move that the Senate disagree to the amendments of the House; ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the President pro tempore appointed Mr. MAYBANK, Mr. SPARKMAN, Mr. FREAR, Mr. DOUGLAS, Mr. CAPEHART, Mr. BRICKER, and Mr. IVES conferees on the part of the Senate.

Mr. MAYBANK. Mr. President, I ask unanimous consent that Senate bill 349 be printed with the House amendments numbered, so that we may have it available to us in the conference in the morning.

The PRESIDENT pro tempore. Without objection, it is so ordered.

#### INFLATION STILL A DANGER

Mr. O'MAHONEY. Mr. President, I desire to invite the attention of the Senate to the unanimous report which has been filed with the Senate from the Joint

Committee on the Economic Report. It is Report No. 644, which deals with the problem of inflation. The report itself is very brief, and it is accompanied by a detailed study conducted by the staff of the joint committee which was reviewed at meetings of the joint committee.

I ask unanimous consent that there may be printed in the body of the RECORD the text of the report. I invite attention to it because it is a unanimous report, signed by all the members of the joint committee, Democrats and Republicans alike. I think it represents a point of view which is worthy of consideration by committees which have jurisdiction over the detailed problems which are still before us and which have an effect upon inflation.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The Joint Committee on the Economic Report is concerned lest the combined effect of a prospective cease-fire in Korea, a budgetary surplus for the fiscal year just ended, and a temporary easing of inflationary tension may lull the country and the Congress into complacency regarding the threat of further inflation.

The important facts are that there can be no let-up in the necessary strengthening of our defenses against aggression, that the Government has been operating at a budget deficit since April, and that prices are today threatening to resume their upward trend. The committee believes that the avoidance of inflation is essential to the long-run strength of this Nation, to the preservation of the free enterprise system and the liberties which it permits.

The committee believes that fundamental inflationary pressures will continue to mount in the months to come as the presently scheduled defense effort diverts larger portions of national production from civilian use.

The committee is consequently convinced of the urgent need: (1) for renewed efforts to reduce and postpone less essential Government expenditures and (2) for promptly providing tax revenues sufficient to balance a carefully planned administrative budget this fiscal year.

Doubts as to the efficacy of direct controls, including selective credit controls, under the Defense Production Act, as amended, make it all the more important that the expected inflationary gap be closed by rigorous Government economy and increased taxes.

Finally, in recognition of the economic aspects of Communist attacks on the free world and of the importance of maintaining our own economic strength, the committee recommends a thorough appraisal of the military program and an examination of ways and means to strengthen and enlarge the capacity of this Nation and all free nations to meet the strains of the defense program.

JOSEPH C. O'MAHONEY, Chairman; JOHN SPARKMAN; PAUL H. DOUGLAS; WILLIAM BENTON; ROBERT A. TAFT; RALPH E. FLANDERS; ARTHUR V. WATKINS; EDWARD J. HART, Vice Chairman; WRIGHT PATMAN; RICHARD BOLLING; CLINTON D. MCKINNON; JESSE P. WOLCOTT; CHRISTIAN A. HERTER; J. CALEB BOGGS.

IMPRISONMENT BY CZECHOSLOVAKIA OF ASSOCIATED PRESS CORRESPONDENT WILLIAM N. OATIS

Mr. O'CONOR. Mr. President, much has been said, here in the Congress, over

the air waves, and in the press, about the indignity to which our Nation has been subjected, and the injustice wrought upon the individual concerned, in the imprisonment by Czechoslovakia of Associated Press correspondent, William N. Oatis.

Despite all that has been said and written, despite the efforts of our State Department to effect his release by usual diplomatic representations, the unfortunate fact remains that nothing has been done. Bill Oatis is still in prison. For all he knows, the people of this country have abandoned and forgotten him.

The United States official representative in Czechoslovakia, Ambassador Briggs, has been attempting to visit Mr. Oatis ever since he was arrested last April. He has been denied this opportunity. So have other American representatives who have attempted to contact the imprisoned man. The Czechoslovak officials are putting on their usual propaganda show, to let their people know how impotent the American Government is to protect its own citizens. In Mr. Oatis they have a victim upon whom they can vent the spleen which every ardent Communist has against the United States as the torch bearer of liberty throughout the world.

In the Senate recently I offered a resolution, directed at maintenance of this country's dignity and prestige with respect to the Oatis case by a three-pronged answer to the insult offered by Czechoslovakia in the imprisonment of Mr. Oatis.

It was proposed in the resolution that the press credentials of all iron-curtain newspaper correspondents in this country be canceled; that all trade with Czechoslovakia be banned; and that the State Department be requested to instruct America's representatives to the United Nations to place the Oatis case before that body. In this way world opinion, at least as represented by the still free nations could be marshaled in impressive fashion so that Government officials and people alike in Czechoslovakia would be apprised of world resentment against the injustice that has been perpetrated.

Experience has shown clearly enough to convince any reasonable person, I believe, that nothing short of extraordinary retaliatory measures are likely to prove effective in securing Mr. Oatis' release. Just as clear is it to millions of thoughtful Americans, I am sure, that unless efforts to pry Mr. Oatis loose from his prison cell are successful, the already sadly damaged prestige of the United States and the whole free world will be further lessened, and will suffer irreparable further damage in the eyes of all the subjugated peoples of the unhappy nations now writhing under Soviet misrule.

What I must reiterate, and emphasize, is that something must be done, some way found, to convince Czechoslovakia that the United States is not making just the usual diplomatic protests. We have got to get Bill Oatis out of prison, if America's leadership in the fight for world freedom is to continue to mean anything to the people who are so desperately looking in our direction.

Czechoslovakia has just sent to this country its new Ambassador. Dr. Vladimír Procházka is now here in Washington as representative of a thoroughly Communist government. While Mr. Oatis languishes in prison, subjected to what mental doubts and even torments we can only conjecture, Dr. Procházka is being accorded every diplomatic courtesy, with unlimited opportunity to travel throughout our country, to see what he will, to do whatever he might consider would advance the cause of his own land, to the detriment of the United States.

Dr. Procházka has not yet presented his credentials to the President. He is awaiting this diplomatic visit. In line with my conviction that something must be done to jolt the Government of Czechoslovakia from its unjustifiable position with regard to Mr. Oatis, I firmly believe, and would urgently suggest to the responsible officials of our own Nation, that Dr. Procházka be kept waiting, be denied the privilege of presenting his credentials to the President of our land, until it is learned that United States Ambassador Briggs has been accorded the right to visit and confer with Mr. Oatis.

#### TRANSFER OF CERTAIN NAVAL VESSELS TO FOREIGN COUNTRIES

The Senate resumed the consideration of the bill (H. R. 3463) to authorize the transfer of certain naval vessels.

Mr. HENDRICKSON. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Bennett	Ives	McClellan
Bricker	Johnston, S. C.	McFarland
Capehart	Kefauver	McKellar
Case	Kerr	McMahon
Chavez	Kilgore	Saltonstall
Cordon	Knowland	Smathers
Dirksen	Long	Smith, N. J.
Duff	Malone	Welker
Dworshak	Martin	Wiley
Hendrickson	Maybank	Williams
Hunt	McCarran	

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate.

The Senator from Colorado [Mr. JOHNSON], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Montana [Mr. MURRAY], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER] and the Senator from Missouri [Mr. KEM] are absent on official business.

The Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. JENNER], and the Senator from Massachusetts [Mr. LODGE] are necessarily absent.

The Senator from Vermont [Mr. AIKEN] and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Oregon [Mr. MORSE] and the Senator from New Hampshire [Mr. TOBEY] are absent because of illness.

The PRESIDING OFFICER (Mr. McClellan in the chair). A quorum is not present. The clerk will call the names of the absent Senators.

The Chief Clerk called the names of the absent Senators; and Mr. FLANDERS, Mr. O'MAHONEY, and Mr. SCHOEPEL answered to their names when called.

The PRESIDING OFFICER. A quorum is not present.

Mr. LONG. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay Mr. GREEN, Mr. WHERRY, Mr. NIXON, Mr. HOLLAND, Mr. ROBERTSON, Mr. MUNDT, Mr. HICKENLOOPER, Mr. CONNALLY, Mr. O'CONNOR, Mr. DOUGLAS, Mr. LEHMAN, Mr. JOHNSON of Texas, Mr. UNDERWOOD, Mr. HENNING, Mr. MOODY, Mr. CLEMENTS, Mr. PASTORE, Mr. FREAR, and Mr. SMITH of North Carolina entered the Chamber and answered to their names.

Mr. BENTON, Mr. BRIDGES, Mr. BUTLER of Nebraska, Mr. BYRD, Mr. CAIN, Mr. CARLSON, Mr. EASTLAND, Mr. ECTON, Mr. ELLENDER, Mr. FERGUSON, Mr. FULBRIGHT, Mr. GEORGE, Mr. GILLETTE, Mr. HAYDEN, Mr. HILL, Mr. HOEY, Mr. HUMPHREY, Mr. LANGER, Mr. MAGNUSON, Mr. MCCARTHY, Mr. MILLIKIN, Mr. NEELY, Mr. RUSSELL, Mrs. SMITH of Maine, Mr. STENNIS, Mr. TAFT, Mr. THYE, and Mr. WATKINS also entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

Mr. HUNT. Mr. President, the business before the Senate is House bill 3463, and I desire to make a brief explanation of the bill. I should like to say to the Senate that Admiral McCormick, Vice Chief of Naval Operations, appeared before the full Committee on Armed Services in behalf of the bill, and it was unanimously reported under the temporary chairmanship of the Senator from Virginia [Mr. BYRD].

The remarks which I am about to make will supplement the rather full explanation of the bill which is contained in the committee report. I point out that the bill does not constitute in any way a separate or an independent program for the transfer of military aid. The transfers referred to in the bill are transfers which will be or have been made pursuant to a previous program. I may say that these actual transfers, excepting the transfer of title, have been made, some as long ago as 1943 and 1944.

The authority contained in the bill is made necessary, however, by the fact that section 4 of the Naval Ship Construction Act, which was approved on March 10 of this year, requires specific congressional approval where the transfer of destroyers, submarines, cruisers, carriers, or battleships is involved; and only in those particular categories. The pertinent section of the Naval Ship Construction Act appears at the top of page 2 of the report.

The bill, Mr. President, is divided into two sections, the first of which relates to a total of 9 vessels, the second to a total of 15 vessels, or an aggregate of

some 24 vessels. All of these are of one particular type, a type of which the United States Navy no longer uses, and which are surplus, and for which the Navy does not want to continue to have responsibility, feeling that the ships are far more effective for the security of the United States in the hands they are now in than they would be if they were in the hands of the United States Navy.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. HUNT. I yield.

Mr. WHERRY. I am very much interested in the last observation made by the Senator. How could any destroyer or any naval unit be in better hands than in the hands of the United States Navy in the event we had a war?

Mr. HUNT. The theory is that these vessels have been transferred primarily to function in behalf of the security and protection of all of the free world, and these are ships of a type the United States Navy is no longer using. They are all destroyer escorts.

Mr. WHERRY. I think I should probably wait until the Senator from Wyoming has concluded his explanation, because possibly some of the questions I wish to ask might be answered during the course of the Senator's explanation. Although I suppose it is true that the free peoples of the world are the ones we are trying to protect, and that we are trying to obtain their cooperation, yet, regardless of the status of these naval vessels, Admiral Sherman, in the letter contained in the committee report, states that he feels that the transfers of destroyer escorts must be referred to the Congress.

Mr. HUNT. They must be, because Congress so specified in a particular law of March 10 of this year.

Mr. WHERRY. Exactly. We passed that law. These vessels, as I understand, have Diesel-type motors; have they not?

Mr. HUNT. Yes.

Mr. WHERRY. What type motor is later than that?

Mr. HUNT. We are using exclusively now turbine-driven escort vessels.

Mr. WHERRY. As a member of the Appropriations Committee I am intensely interested in the Senator's statement that these vessels are obsolete to the point that the Navy is using new types, and that we have 24 vessels which we can give away.

Mr. HUNT. As I said, Mr. President, they have already actually been given away. They carry only 3-inch guns. Our modern vessels of this type carry 5-inch guns. But in the over-all study of the defense of the free world our Chiefs of Staff, working with the chiefs of staffs of the other nations, decided that these particular vessels could be of greater benefit in the hands where they were placed than if we retained them.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. HUNT. Yes.

Mr. WHERRY. Is it the statement of the Senator, representing the Armed Services Committee, that we have a surplus of these vessels?

Mr. HUNT. Yes; every one of these vessels is surplus. If we reacquired them, we would be put to the expense of mothballing them, putting them to sleep, putting them away. We would not utilize them.

Mr. WHERRY. They are obsolete because they have Diesel engines instead of steam-turbine engines, which, as the Senator says, are in the modern vessels.

Mr. HUNT. Yes. I presume they are also no longer of value to us because their guns are of smaller caliber.

Mr. WHERRY. We have modern vessels that carry smaller-caliber guns than 5-inch guns. I am asking if this type of vessel is obsolete, because it does not have the steam-turbine engine, but is operated by a Diesel engine. I was told recently before the committee that one of the reasons why the Navy wanted new vessels was that they wanted to have vessels operated by Diesel engines.

Mr. HUNT. There may have been improvements in Diesel engines since the Diesel engines were put in these vessels, because the vessels are old.

Mr. WHERRY. I am trying to find out why these vessels are surplus. Are they surplus because they are obsolete, or are they merely 24 vessels which, for the good of and for the protection of the world, we are now going to take away from our Navy?

Mr. HUNT. I would say that the Senator has given two answers. The vessels are obsolete so far as our Navy is concerned, but they are of value in the hands of other countries which do not have improved vessels of this type to use in their navies.

Mr. WHERRY. Then the statement of the Senator from Wyoming is that we have 24 surplus destroyer escorts, which are surplus because they are obsolete, and they are going to be put in moth balls. That is No. 1. No. 2 is that if we want to defend the free world the best thing to do, instead of placing the vessels in moth balls, is to give them away.

Mr. HUNT. I think the Senator has given the answer to the question. The fact is that our Navy would not reactivate the vessels, would not reman them, would not rehabilitate them, and probably would not make use of them at all.

Mr. WHERRY. Would that be true in the event we actually had open hostilities?

Mr. HUNT. I would not be able to answer that question, but I am told by Admiral McCormick that they are of no value to us. Some of them passed out of our possession in 1943 and 1944. That is 6 or 7 years ago.

Mr. WHERRY. Where are they now?

Mr. HUNT. Some are in South America, some in Denmark, and some in France.

Mr. WHERRY. Are they in mothballs?

Mr. HUNT. No.

Mr. WHERRY. Is some other country using them?

Mr. HUNT. Yes.

Mr. WHERRY. Are all of them in use?

Mr. HUNT. I think the Senator will find, according to section 2, that they are all in use.

Mr. WHERRY. Have they actually been given away?

Mr. HUNT. The title has not been transferred, but physically they have been transferred and have been in the hands of other nations. Other nations have been operating them since 1943 and 1944.

Mr. WHERRY. Under what authority were they handed over in the first place—under lend-lease or some agreement of that kind?

Mr. HUNT. Yes. They were exchanged on lend-lease.

Mr. WHERRY. Not exchanged. We do not get anything back from them.

Mr. HUNT. They were grants.

Mr. WHERRY. They were grant-in-aid under lend lease.

Mr. HUNT. Those which go to South America are reimbursable.

Mr. WHERRY. Have we been reimbursed?

Mr. HUNT. Not yet. We will not be, of course, until—

Mr. WHERRY. Will we be reimbursed for the actual cost of the vessels, or are we giving them away at bargain prices?

Mr. HUNT. As the Senator will remember, under the law we will be reimbursed 10 percent of the original cost of the vessels.

Mr. WHERRY. What did those vessels cost?

Mr. HUNT. They cost about \$7,000,000 apiece.

Mr. WHERRY. How old are they?

Mr. HUNT. They were built immediately at the start of World War II, in 1941.

Mr. WHERRY. So they are not 10 years old.

Mr. HUNT. They are just 10 years old.

Mr. WHERRY. And we are selling them at 10 percent of the original cost of \$7,000,000.

Mr. HUNT. That is the law.

Mr. WHERRY. That is the law if we give title. Is that correct?

Mr. HUNT. That is correct; and they cannot be transferred unless Congress gives explicit authority.

Mr. WHERRY. What is the difference between one of these vessels and a similar vessel which would be built today, which would probably cost two and one-half times as much? What is the difference in firing equipment, facilities, and mechanisms, as between one of these vessels and a similar vessel which might be built today?

Mr. HUNT. There is a great deal of difference.

Mr. WHERRY. Except for the 3-inch guns, which the Senator has already mentioned.

Mr. HUNT. Let us name those first.

Mr. WHERRY. A 3-inch gun is just as good as a 5-inch gun so far as it goes.

Mr. HUNT. It does not have the same firing power.

Mr. WHERRY. It is just as good as any 3-inch gun we could get today.

Mr. HUNT. Yes; but not so good as a 5-inch gun.

Mr. WHERRY. I understand.

Mr. HUNT. Secondly, these ships have only one Diesel engine. The naval destroyer escorts we are building today have two steam turbine engines.

Mr. WHERRY. What is the difference in speed?

Mr. HUNT. There is a difference in speed of 10 knots. The newer type vessels are a good deal larger than the ones we are now discussing. There is a very great deal of difference, so much so that the Navy feels that the older ships are practically obsolete.

Mr. WHERRY. Of course, the Navy is interested in getting boats built. I have been on the Appropriations Committee for 9 years. The Navy always recommends this boat and that boat, and says that others are becoming obsolete. The fact is that if a boat with the same displacement were built, it would have about the same speed. What is to prevent adding another Diesel engine, which would give twice as much power as the vessels have now?

Mr. HUNT. There is just about the same amount of difference as there is between a model of a Ford car which was built 10 years ago, and a model of a modern car.

Mr. WHERRY. That is what I would like to know. Is there any difference between the guns and mechanisms, as compared with the newer types?

Mr. HUNT. Those old ships have no radar equipment.

Mr. WHERRY. Why can it not be added?

Mr. HUNT. I presume it could be, but the vessels which we are constructing today have the radar equipment built in.

Mr. WHERRY. What is the difference, whether it is built in or put on the outside?

Mr. HUNT. We would not want to put modern radar equipment on an obsolete ship.

Mr. WHERRY. Hard pressed as the United States would be in the event of war, I think we ought to keep every ship we have. We ought to modernize them, and hold all the vessels we have, instead of turning them over to some other country.

Mr. HUNT. If we can get some other country to man them and stand the expense of operation, we are relieved of that obligation, but we have exactly the same defense.

Mr. WHERRY. How do we know that in the event of war the country to which we are giving the vessels is going to operate them in the defense of the United States and the rest of the world?

Mr. HUNT. How do we know that this country, if we get into war, is going to have the full support of all the people of the United States?

Mr. WHERRY. We are going to have the full support of the United States Navy. I would rather have United States sailors on these vessels than the sailors of any other country on earth, if we are to defend the United States. Is it not a fact that the only reason for transferring the boats is to carry out the ideas of some of the ECA'ers who want to give everything we have for the mutual defense of the world?

Mr. HUNT. The ECA does not enter into the picture.

Mr. WHERRY. Mutual defense does. What is the ECA program any more, but

mutual defense? It is the same thing, is it not?

Mr. HUNT. Provision is made in the Mutual Defense Act, which we are now considering in the Foreign Relations Committee, to make it possible for these vessels to be transferred.

Mr. WHERRY. I understand. I am not quarreling with the Senator's presentation. I know that it is done by law. For 10 percent of their cost we give these ships away, and next week we shall be asked by the Navy to build more ships, just as surely as we stand here on the floor of the Senate.

Mr. HUNT. I think the Senator is correct; but they will not be ships of this type.

Mr. WHERRY. In any event, we shall be asked to build more ships.

Mr. HUNT. We shall never build any more ships of this type.

Mr. WHERRY. We shall want more ships. The Navy has an expansion program. If we give money to the Navy on the same scale we are giving it to the Army and the Air Corps, under all the programs which have been submitted, the amount will run to \$90,000,000,000.

Mr. HUNT. I agree with the Senator. It may run to more than that. However, the Senator does not want to attempt to defend the United States with ships which are obsolete by 10 years, and which will not do the job.

Mr. WHERRY. If war comes, I want to be able to throw everything in the book at the enemy.

Mr. HUNT. I agree with the Senator.

Mr. WHERRY. If we are going to give away these ships, which can be modernized at small cost, it seems to me that we shall have to build new ships, just as surely as we give them away.

Three or 4 years ago it was proposed to give 10 or 15 small tankers away. We made a fight on the floor of the Senate. It was said that the boats were obsolete, and that they were going to be placed in moth balls. The Secretary of the Navy came before the committee and said, "We do not need them. We ought to give them to other countries so that they can haul oil to Western Europe, and thereby eliminate the haul we make from the United States for them."

It was the thing to do. Within a few months we were bombarded by the same agency which said "give them away." We were told, "We have to have more boats, because we have to haul this oil over to Europe ourselves." Just think of it. We practically gave them away. Ten percent was all we got out of the transaction, and the taxpayers of the country paid the bill.

Everyone has a right to his opinion as to mutual aid. We have the right to give these things in defense of the world if we believe that way. The taxpayers of the country are going to be called upon to make the greatest sacrifices in the next 3 or 4 years, at the rate we are going, that they have ever been called upon to make. Before we give away any vessel—I do not care what its displacement is, or its ordnance, or anything else—we ought to scrutinize the proposal. Here it is proposed to give away boats

which cost \$7,000,000, for 10 percent of their value, on the theory that they will be manned by other countries, which will defend the freedom of the world. Theoretically that is good philosophy, but, to come right down to hard, practical sense, the time is here when we must reevaluate these programs and decide whether what they contemplate is in the best interest of the security of the United States of America.

Mr. HUNT. Mr. President, I should like to finish the presentation of the committee's recommendation on this matter, and then I shall be glad to yield to the distinguished minority leader.

Mr. WHERRY. I appreciate the Senator's yielding to me. I know that he is doing a good job for the Armed Services Committee. I know how he feels. That is perfectly all right. I am asking these questions to see whether or not we are going to be asked in the next few months to build the same kind of boats we are giving away.

Mr. HUNT. Let me say to the distinguished Senator from Nebraska that we certainly will not build this design of boat again. I am sure that the Senator would not want to do so, and I would not want to think of manning an obsolete ship with our men, as of today, because it certainly would be placing them in an inferior position with reference to the naval armaments of the rest of the world.

Mr. WHERRY. The Senator knows as well as I do that many prototypes are built, improvements are made, and before they are ever put into production they become obsolete. Is not that true?

Mr. HUNT. Yes; and I am sure that the Senator agrees with me that if we can make a certain armament obsolete, that is what we ought to do, so that we can better our situation.

In concluding my presentation I wish to say that this bill is in conformity with the wishes of the Navy as expressed to the committee by Admiral Cochrane. The committee, after very considerable debate, and an attempt to explore every facet of the situation, came to the unanimous conclusion that this bill should have the approval of the Senate. It has been approved by the House.

I wish to reiterate the statement which I made earlier, that these vessels would be far more effective in the hands of the recipient nations than they would be lying idle in a reserve fleet of the United States. Of course, that is what would happen to them at least until final disposition was made of their status. In all probability they might never again be commissioned in our Navy.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. HUNT. Yes.

Mr. CORDON. I have been trying to understand the committee report. It has come to my hands only this afternoon. On page 2 of the report accompanying the bill I notice this language:

Section 1: This section authorizes the transfer of two of the vessels to France and two to Denmark under the provisions of title 1 of the Mutual Assistance Act of 1949, as amended, and three of the vessels to Peru and two to Uruguay under the provisions of section 408 (e) of the act.

As I understand, the transfers to France and Denmark are under the Mutual Assistance Act, and will be in the nature of straight grants. No payments of any kind will be made.

Mr. HUNT. That is correct.

Mr. CORDON. They represent vessels which are not now in the possession of either of the proposed beneficiaries, but are in possession of the United States and are in moth-balls?

Mr. HUNT. Oh, no. They have already been transferred physically. We do not have them in United States waters. They are not in moth-balls.

Mr. CORDON. Is the Senator sure of his ground in that respect?

Mr. HUNT. I believe so.

Mr. CORDON. I suggest he read the report carefully.

Mr. HUNT. Is the Senator from Oregon talking about section 1 of the bill?

Mr. CORDON. Section 1 of the bill.

Mr. HUNT. The vessels mentioned in section 1 are in moth-balls.

Mr. CORDON. Then there are two vessels, in moth-balls, which are to be transferred physically and by title to France, and two vessels, in moth-balls, which are likewise to be transferred to Denmark. These vessels originally cost \$7,000,000 apiece. They will be transferred by outright grant.

Mr. HUNT. The Senator is correct.

Mr. CORDON. In addition to transferring the vessels by outright grant, we will ourselves spend approximately \$700,000 per vessel to rehabilitate them, at our expense, and that amount will also be in the form of an outright grant.

Mr. HUNT. The Senator is quite correct.

Mr. CORDON. That seems to be in line with our policy. It would be a shame if we required any nation to do anything for itself.

The language in the report in which I am particularly interested is this:

The current status of negotiations for the transfer of the two destroyer escorts to Denmark is such that it is at least doubtful that the transfers will be made.

Did the committee have any information in its possession as to why it was that Denmark was unwilling to receive a gift of two destroyer escorts, plus \$700,000 in each instance to make the vessels operable? Was there some question in the mind of the Government of Denmark as to whether it would be endangered by having the vessels in its possession?

Mr. HUNT. I believe the Senator from Oregon knows that Denmark is a very small country. The total personnel of all the Navy of Denmark is less than 4,000. There is some question in the minds of the Danish officials whether or not they can properly man the vessels. In the event they find they cannot properly man them, the transfer would not be made.

Mr. CORDON. If there be that doubt in the minds of the Nation to whom we would give the vessels, does not the Senator feel that it might be well if there were a doubt in the minds of the officials of this country as to the wisdom of giving them away?

Mr. HUNT. Of course, there would be a complete and full understanding with

reference to what Denmark could and would do before our country would enter into a transfer agreement.

Mr. CORDON. But there is a doubt now in the minds of the officials of Denmark as to their ability in this respect; is there not?

Mr. HUNT. There is no question with reference to Denmark. At this time they are undecided as to whether they want two destroyer escorts, or one destroyer escort and one destroyer. That matter is also under discussion at the present time.

Mr. CORDON. Is it a matter for their determination, or our determination?

Mr. HUNT. I believe it to be a matter partly for our determination.

Mr. CORDON. I should hope it would be.

Mr. HUNT. All these arrangements primarily are looking toward the security of the United States, and not especially toward the security of the recipient of the vessels.

Mr. CORDON. For the life of me, I cannot understand how the security of the United States could be in any way advanced by the delivery of destroyer escorts to a nation which itself is in doubt as to whether it should receive the free gift of them.

Mr. HUNT. I did not understand the Senator's question.

Mr. CORDON. It was not a question. It was a statement. We will pass it by. May I ask another question?

Mr. HUNT. Certainly.

Mr. CORDON. On page 3 of the report there appears a statement, under the heading "Effect on United States naval strength," which I wish could be underscored, and which I wish every Member of the Senate would read and fully digest. The statement reads:

Although it has been repeatedly emphasized by responsible authorities in the Navy Department that there is a global shortage of vessels suitable for antisubmarine warfare, the Joint Chiefs of Staff do not feel that the transfers to be authorized by the bill will result in these 24 vessels being lost to the United States Navy as a part of the global enterprise.

Would it not appear, if they were a matter of any consideration whatever to the United States Navy, that it could properly settle the question by retaining the vessels in its possession under its control and subject to its orders?

Mr. HUNT. I do not agree with that statement at all, for the reason that the Navy of the United States is not sufficiently large to cover all the waters of the world.

Mr. CORDON. It did cover them with these vessels during World War II.

Mr. HUNT. If the Senator will allow me to finish my statement—

Mr. CORDON. I am sorry. The Senator has the floor.

Mr. HUNT. It seems to me that it is understandable that the United States Navy cannot be at all places at all times. If we have the vessels operating in global defense in various areas of the world, where they can be made immediately available for service and use in case of an emergency, it is far better than retaining them in our own waters,

where they could not meet an emergency so quickly and so effectively as they could if they were at the scene of the trouble.

Mr. CORDON. Of course, the Senator's conclusion would have to rest upon the basic proposition that the United States of America is certain that the several nations in question would be prepared, when the interests of the United States required, to use the vessels in the defense of the United States.

Mr. HUNT. Let us hope that is the situation. If that situation does not prevail, I have some misgivings about the future of the world.

Mr. CORDON. The Senator and I have that misgiving in common, but I am afraid we differ somewhat as to how we can lessen the danger to the particular part of the world over which the United States flag flies.

I call attention to the next sentence:

Mutual-defense agreements with the recipient nations are in existence and the Joint Chiefs of Staff feel that the effectiveness of these vessels in antisubmarine warfare will be the greatest if the vessels are transferred as contemplated in the pending bill.

That would indicate, would it not, that the authorities of this country take the view that these vessels are valuable as agencies of defense in antisubmarine warfare?

Mr. HUNT. I think the Senator is quite correct in that respect, and I believe he will join me in agreeing with the statement contained in the report that the Joint Chiefs of Staff feel that the effectiveness of these vessels is such-and-such. I am sure the Senator does not, and I know that I would not, wish to assert an opinion contrary to that of the Joint Chiefs of Staff, in regard to the question of where these vessels can best be utilized in the total defense of the free world, as well as primarily, of course, in the defense of our country.

Mr. CORDON. Mr. President, will the Senator from Wyoming permit me to make a comment on that point?

Mr. HUNT. Certainly.

Mr. CORDON. I should like to be able to hold without reservation the view just stated by the Senator from Wyoming. However, I cannot forget the time, within less than 12 months prior to the opening of the Korean debacle, when the Joint Chiefs of Staff, together with the then Secretary of Defense, sat in a room and assured a subcommittee of a Senate committee that the then existing appropriation bill was wholly adequate for the defense of the United States, and that the United States could meet by 4 o'clock of the following morning any attack which might be made.

So I fear that I have lost some of my faith in the testimony and judgment of experts. I recall what I was told during my law-school days was an appropriate definition of an expert, but I shall not place that definition in the RECORD.

Mr. HUNT. As I remember, the statement to which the Senator refers was not a statement by either an air, military, or naval man, but was a statement made by a civilian who was Secretary of Defense at the time.

Mr. CORDON. I am glad the Senator from Wyoming has referred to that point, because I should like to state now that the statement was made by the then Secretary of Defense as to the appropriation then being considered; and it was followed by this question, which was directed to the Joint Chiefs of Staff, who were sitting around the table at that moment: "If any member of the armed services in this room has a different opinion, let him speak up." However, there was silence.

Mr. HUNT. I assume that, under the circumstances, that was a time when silence perhaps was expected, and perhaps military discipline called for it.

Mr. CORDON. That raises a question which has bothered me, let me say to the Senator, if he will pardon me for interrupting him further. If those men, with the interest of their country at heart, did not have the backbone to speak out then if they had an opinion which was different from that of the Secretary of Defense, how can we believe that they have the strength and the courage today to speak up in giving us their real opinion; or are they still talking through muzzled and controlled lips?

Mr. HUNT. No; the Senator now is speaking of a time, pre-Korean, when Russia had not built up her 20,000-plane air force, and did not have, with her satellites, 484 divisions, and was not amassing troops, as she now is, in the vicinity of east Germany, where she has some 25 or 26 divisions, as compared with seven divisions on the part of all of the free world, namely, the United States, England, and France. So I say to the Senator that situations change as time passed.

Mr. CORDON. Mr. President, will the Senator yield further?

The PRESIDING OFFICER (Mr. BRICKER in the chair). Does the Senator from Wyoming yield to the Senator from Oregon?

Mr. HUNT. I yield.

Mr. CORDON. The difference is that at that time the preponderance of the strength of Russia was much greater than it is today. The build-up on the eastern frontier has been going on since 1947. I know that because I was there in 1947, and I saw the secret maps and the indications of where the strength was; and at that time there was very grave apprehension in occupied Germany as to when the break might come.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. MALONE. On page 3 of Report No. 580, I note the following:

Section 2: This section authorizes the transfer of 15 destroyer escorts which are at the present time in the hands of the recipient nations under the terms of existing lend-lease agreements made pursuant to the act of March 11, 1941. Brazil has eight of these vessels, leased to her in 1944 and 1945; Great Britain has one, leased in 1944; France has six, leased in 1944.

The actual transfer of title to these 15 vessels is not to be made until the \$700,000,000 ceiling on the worth of surplus equipment, as fixed in section 403 (d) of the Mutual Defense Assistance Act, as amended, has been increased.

It is interesting to note that it is demanded that Congress raise the \$700,000,000 limitation on the contention that this bill will not be effective until such time as the limitation is so raised.

Mr. HUNT. That is provided for on page 38 of House bill 5113, which now is before the Senate Foreign Relations Committee and the Senate Armed Services Committee.

Mr. MALONE. But that bill has not yet reached the floor of the Senate.

Mr. HUNT. No, not yet. I understand that the bill is on the floor of the House of Representatives.

Mr. MALONE. I assume that that bill may or may not come out of the House committee; and if the bill should come out of committee, and should pass the House, it may or may not be passed by the Senate. However, until such time as the \$700,000,000 ceiling is raised, why do we pass a bill which would help build up the pressure to raise that ceiling?

Mr. HUNT. I would not say it would help build up the pressure. The Senator comes to the point of which comes first, the hen or the egg? It seems to me that we cannot do one without the other. If and when the \$700,000,000 limitation on lend lease is raised, as is provided for in that bill, we then shall be in a position simply to transfer the actual title to these vessels, most of which have been in the South American countries since 1943 or 1944.

Mr. MALONE. If the Senator will yield further, I would point out that the bill does build up the pressure to raise the ceiling. When House bill 3463 is passed by the Senate, it will then be possible for Senators or others to go before the Foreign Relations Committee and say that that committee is arbitrarily holding up the transfer of these vessels, and that the transfer of the vessels would automatically be held up until the \$700,000,000 limitation or ceiling is raised.

Later, it will be possible for Senators to come to the floor of the Senate and say that because of the passage of this bill which now is before us the Senate will have done something which requires the raising of the \$700,000,000 ceiling, regardless of the merits of that matter.

Mr. HUNT. I disagree. The passage of this bill will simply be a tentative commitment to increasing or raising the ceiling. Enactment of the bill is necessary simply because of section 4 of the bill which we passed on March 10, 1951. This bill has no bearing, so far as I can see, in any shape, manner, or form on our foreign-assistance military policy.

Mr. MALONE. Except that Congress has definitely set a limit; and I have seen no indication up to now of an intention to change that limit.

I should like to ask another question.

Mr. HUNT. First I should like to say, in reply to what the Senator has just said, that we should consider this matter from the standpoint of existing facts. The ships are in the other countries. They are now being utilized. Later on, possibly, the actual title to the ships, to which I have referred, will be transferred.

If the ships were brought back to the United States, no doubt they would be

put into mothballs, so to speak, for the ships are antiquated and out of date, and we would not want to use our men to man them, because we do not want our men to man inferior ships. So we would then be put to the expense of bringing the ships back to this country and then putting them into mothballs, with the result that the ships would be idle, and certainly would not then be of help to the defense of this country. The ships would remain idle in that way until such time as Congress permitted the title to the ships to pass to the South American countries, at which time the ships would be returned to those countries.

Mr. MALONE. Then I should like to refer to the following, which appears on page 3 of the report:

No rehabilitation costs are involved in the transfers contemplated in section 2, because the recipient nations already have the vessels in their possession and are maintaining them. The vessels will continue in this status until such time as the limiting ceiling imposed by the Mutual Defense Assistance Act, and referred to above, has been raised by the Congress.

In other words, there seems to be no intention of bringing the vessels back, as the Senator suggested. The title in each case should remain in the United States of America.

Mr. HUNT. If I may interpolate, the Senator will agree that there is some disposition on the part of the countries now having these ships to return them to the United States, if a final agreement is not reached in some immediate future time with reference to them.

Mr. MALONE. In other words, then, the threat is that the recipient nations will not even use them unless we give them to them—a little blackmail of a particular sort.

Mr. HUNT. They do not want to put their money into the rehabilitation of these ships and the modernizing of them, if they might necessarily need to be returned to the United States.

Mr. MALONE. It seems that it is not enough to allow the foreign nations to keep the vessels without paying any rent or anything else at all, but that the rehabilitation is too much of a gesture for them to make for the use of the ships.

Mr. HUNT. The Senator must remember that some of these countries are in a position to spend a nickel, let us say, where this country spends a dollar.

Mr. MALONE. I understand that, but we are spending the nickels; and not only that, about \$17,000,000 was authorized to go to these countries. Let us not forget that.

Mr. HUNT. I do not forget that, but I am not one who objects too strenuously to expenditures in order to secure the United States of America.

Mr. MALONE. Let me say further that the countries which we have aided financially are in worse financial condition now than they were at the time of our first give-away program in 1948. Mr. Morrison is coming next month to get another billion dollars or two billions to be used as spending money before Christmas. He will, no doubt, get it. We now have a request for \$8,500,000,000 more to go to these countries. We have the free-trade program under

which we divide our markets with them. They should be getting along very well with our dividing our substance with them.

Now, we have the case of France, where eight of these vessels under discussion are supposed to be. There they had the largest Communist vote in the last election than they had ever had.

Mr. HUNT. I do not think the statement of the Senator is correct. They had a Communist vote of about 26 percent and the largest they ever had was 28 percent. It was too large, whatever it was.

Mr. MALONE. They have two or three "splinter parties" which are very close to the Communist Party.

Mr. HUNT. Yet each time the French Government has reorganized the Communist Party has had less influence in the reorganization.

Mr. MALONE. I wish to point out that any time the Communists make a deal with three or four "splinter parties," they are in; and there is a danger there. Now, if we should keep the title to those ships in the United States, and allow them to be used under lend-lease, if we have that extra little string on this thing, it would not hurt anything. I suppose the reason they give for not offering to buy the vessels at a reasonable price to that they have no money with which to pay for them; is that correct?

Mr. HUNT. I think that is one position which is well taken. However, I think the Senator perhaps overlooks the broad objective of the United States in all the assistance which we are giving to foreign countries.

Mr. MALONE. I should like to have the Senator tell me what that objective is.

Mr. HUNT. We desire to instill into them the will to fight.

Mr. MALONE. Oh, we do?

Mr. HUNT. We want them to reach the point where they will resist. We want them to believe as we do. We want them to remain free men. The Senator from Nevada knows, as I know, that a few years ago we found in those foreign countries people who did not feel that way.

Mr. MALONE. I would be very glad to have the Senator explain exactly what our objective is.

Mr. HUNT. On the theory which the Senator from Nevada is advancing, I am of opinion that we should perhaps bring General Eisenhower home, because, if France should happen to go communistic, which the Senator infers may happen, we would be in a very bad way with General Eisenhower over there and General Gruenther with him, and all the things he is doing. I do not share the Senator's misgivings regarding that.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. HUNT. Certainly.

Mr. MALONE. I should merely like to say General Eisenhower is not getting along very well. The chances are he will be home, in his own due time.

Mr. HUNT. I hope he will be home in the right frame of mind, when he returns.

Mr. MALONE. We had a great debate here, I remember, in 1948—

Mr. HUNT. Democratically speaking, Senator.

Mr. MALONE. It was a debate about the Vandenberg resolutions, when we were going to settle everything through an Atlantic Pact, which we were approving in advance by the Vandenberg resolutions. It was then stated that a very few troops, three or four or five divisions, would be all that we would send over there, and they would be sent merely as bait, so that the European countries might get some of their own people into the Army. Recently, the Secretary of Defense has said, I believe, that we need 400,000 troops as bait, so those nations will put their own men into the army. We are sending our boys over, but not very many of the Europeans have gone into the army, yet, is not that true?

Mr. HUNT. But the Senator must remember that France has in Indonesia a tremendous number of divisions; I have forgotten the number; but they are very busily occupied in Indonesia, and have been for several years, resisting aggression.

Mr. MALONE. Yes, I recall that, having been in Indonesia when the Dutch were, through their money exchanges, keeping those little Indonesians bare-legged and hungry, as they had been for 300 years. Under the Atlantic Pact, we have guaranteed to protect colonial slave empires. We must protect colonial slavery for Britain in the Malayan States, and for France in Indochina, and now they have their troops there. I recall very vividly that, when the North Atlantic Pact was signed, the junior Senator from Nevada said, "We are now signing a pact guaranteeing the integrity of these colonial possessions." And now, the Senator tells us clearly that that is what we are expected to do, so that France can keep her troops in Indochina. We, then, are going to defend Europe with our American troops. I think the Senator will find a million of our American boys over there within a year and a half, if we continue at our present rate of progress.

Mr. HUNT. That is what we have done in two world wars, and we have a new world war, far away from our shores, in which we are doing it.

Mr. MALONE. That is correct. And I think there is a better way of doing it. If we had the gumption to go out and build the number of air groups which are necessary—I remember that on the floor of the Senate, in 1948, we authorized the building of 70 air groups. The President wanted 55. He built 44 or 45.

We are not prepared even now. We wasted 6 years, following World War II, when we could have backed up our position. Had we had the gumption to build 150 or 200 air groups, or whatever we needed, to control the air over any area important to us, in Asia or Europe, and to build submarine fleets for purpose of blockade, and had we then had the courage to carry through the blockades, it would be different today. We do not seem to have had either the gumption or the courage; we fell in with the British policy of allowing trade to go on. I

hope the Senator has read what the papers have recently said, about Britain announcing that she must continue her trade with Russia, that she must continue her trade with Communist China. We, then, in aiding Britain, are in the position of furnishing the materials to destroy our own troops.

Mr. HUNT. The Senator from Nevada arrives at a conclusion with which I am heartily in disagreement. I am in disagreement with his theory that we have not been doing all we can do. It may not seem so to the Senator from Nevada, but there is, of course, a limit to what even we in the United States can do from a financial standpoint.

Now, Mr. President—

Mr. MALONE. Mr. President, will the Senator yield further for a question?

Mr. HUNT. I was going to say to the Senator that, at noon, today, I made an observation with reference to how we might possibly hasten at least a recess of this session.

Mr. MALONE. I think we could pass all these bills in 20 minutes; but I think it would be a calamity.

Mr. HUNT. The observation which I made was that if one speech on the floor would suffice instead of a dozen speeches, and if a 5-minute speech on a bill would suffice, instead of a speech lasting 5 hours, we would get things done and could get away the first of October.

Mr. MALONE. It would be a calamity if these questions were not debated thoroughly.

Mr. HUNT. We have been on this bill since about 2 o'clock, I think. I have explained it to the best of my ability. The Navy is anxious that the objective the bill seeks shall be accomplished. I happen to be one who feels that we should take advice on military and naval matters from those who are professionally in a position to know and in whose ability, integrity, and honesty, we have great confidence. I am sure the Senator joins me in that statement. I feel that continued discussion of the subject would be a waste of time, so far as I am concerned, and so I yield the floor.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. HUNT. I have yielded the floor. I will take the floor again to answer a question, if I may.

Mr. WHERRY. There is one feature which has not yet been discussed, although it has been mentioned. The distinguished Senator a moment ago stated that the legislative committee of which he is a member was considering a bill to increase the limitation under mutual aid to the amount of \$700,000,000—

Mr. HUNT. What I said was that House bill 5113, known as the Mutual Security Act of 1951, on which committee hearings have been concluded before the Foreign Relations Committee and the Armed Services Committee, contains this language on page 38:

(b) Section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1580), is hereby amended by adding in the first proviso thereof, after the words "of which it is a part", the words "or in United Nations collective security arrangements and measures", and by changing the figure at the end thereof to "\$500,000,000."

In that is included the raising of the ceiling necessary to clear the transfer of the vessels?

Mr. WHERRY. That is approximately what I understood the Senator to say. That bill has not yet come before the Senate for consideration.

Mr. HUNT. It has been reported.

Mr. WHERRY. But the Senator is asking, according to page 3 of the report, to transfer these vessels with the understanding that that bill will pass. The Senator is actually asking to take off the ceiling.

Mr. HUNT. No; I am simply asking that the Senate give the authority which is necessary under section 4 of the Mutual Assistance Act of 1949, as amended, which provides that—

No battleship, carrier, cruiser, destroyer, or submarine of the United States which has not been stricken from the Navy register as provided by section 2 of the act of August 5, 1882 (22 Stat. 296), as amended, or any interest of the United States in any such vessel, shall hereafter be sold, transferred, or otherwise disposed of unless authorized hereafter by the Congress.

I am attempting to meet the provisions of that particular act, and then the transfer can be consummated if and when the Congress does or does not, as the case may be, raise the ceiling.

Mr. WHERRY. How does the Senator account for the statement on page 2 of the report that—

This charge does not represent a transfer of funds. It is simply a bookkeeping procedure, carried out under the terms of the Mutual Defense Assistance Act to insure that the aggregate worth of excess equipment and material furnished under the terms of the act shall not exceed the \$700,000,000 ceiling.

If that statement be true, if we transfer these vessels, we are lifting the ceiling before the other ceiling is expanded.

Mr. HUNT. The vessels included in section 1 of the bill are not under the present ceiling—

Mr. WHERRY. I am talking about the second paragraph under section 1.

Mr. HUNT. That is answered by the response I have given.

Mr. WHERRY. I think the answer is correct. We are lifting the ceiling.

Mr. HUNT. No; not for those vessels referred to in section 1.

Mr. WHERRY. The Senator read the statement in the report:

This charge does not represent a transfer of funds.

If it actually is a transfer of funds, it is simply a bookkeeping procedure. Why is all that language contained in the report if we are not lifting the ceiling?

Mr. HUNT. I think the answer to that is that the \$700,000,000 simply sets the ceiling, and it is now established, and the charge would be merely a bookkeeping transfer under the ceiling which already exists.

Mr. WHERRY. On page 3 of the report it is stated:

The actual transfer of title to these 15 vessels is not to be made until the \$700,000,000 ceiling on the worth of surplus equipment, as fixed in section 403 (d) of the Mutual Defense Assistance Act, as amended, has been increased. The costing of these 15 vessels at an approximate unit acquisition cost of \$7,000,000, or a total of approxi-

mately \$105,000,000 against the \$700,000,000 ceiling, would seriously unbalance the mutual defense assistance program as currently planned.

We turn back to page 2 and find that we are being asked to transfer the vessels with the understanding that the transaction is only a bookkeeping transfer, that it does not lift the ceiling. Which way does the Senator from Wyoming want to go?

Mr. HUNT. The Senator from Wyoming wants to go exactly the way he has been going all along in this particular colloquy. Fifteen of the vessels are already cleared, so far as the ceiling is concerned. The ceiling is sufficient for the bookkeeping transfer of the 15 vessels—

Mr. WHERRY. What about the other vessels, of which there are nine, I believe?

Mr. HUNT. There are 15 covered in section 2.

Mr. WHERRY. We are going to unbalance the budget by \$105,000,000. That is why we have the other bill which is expected to pass so we can lift the ceiling to take care of those vessels.

Mr. HUNT. The Senator is absolutely correct. I have said that time and time again.

Mr. WHERRY. If that be true, why do we want to pass the pending bill today? The Senator is getting the cart before the horse. The Senator says, "Let us transfer them," and then he says "We have to lift the ceiling anyway."

Mr. HUNT. The bill has passed the House, and on March 10, 1951, we said the action could not be taken until the Senate gave the authority. So if we wait until the ceiling is raised we shall have to come back again, and possibly the bill may have to pass the House again.

Mr. WHERRY. That makes all the difference in the world. If we authorize the transfer today, the committee will come back and say, "Congress has authorized it; we have got to lift the ceiling." It is as simple as it can be.

Mr. HUNT. I thought the Senator from Nebraska wanted me to answer his question. I was going to ask him, Why should we go all over this matter again? If the mutual security bill providing an increased ceiling is passed; we will need to go all over it again, whereas if we accomplish the transaction now, when the mutual security bill comes before the Senate with the increased ceiling, everything will be ready.

Mr. WHERRY. Is the Senator asking me a question?

Mr. HUNT. Let me ask a specific question. If the mutual security bill is reported without raising the ceiling, and the countries which now have these vessels find they have reached the limit of their operations and send the ships back, and our Navy says, "We do not want obsolete ships to come back to us and be of no value to anyone"—

Mr. WHERRY. The first question the Senator asks is, Why take up the bill all over again if the Mutual Security Act shall come to the floor and shall be passed with a provision in it to lift the ceiling? The point the Senator from Nebraska raised was this: The bill for extension of the Mutual Defense Act will

provide an extension for another year, and the bill will have within its provisions the very thing the Senator is asking for. Today, indirectly, the Senator is asking the Senate to lift the ceiling. I think he is really doing so directly; but let us say that on the basis of his statement it is being done indirectly. The Senator is asking indirectly that the ceiling be lifted so these boats can be transferred. It is my humble opinion that the way it should have been done was to report the mutual security bill from the legislative committee, and debate the question on the floor as to whether authorization to lift the ceiling should be made. If the Senate passes the bill which is before it now, the Senate will authorize the transfer of these vessels, and the Senator from Wyoming will use that action by the Senate, if he will pardon a slang expression, to high-pressure the Senate into lifting the ceiling when the Mutual Security Act comes to the floor for debate next week. That is point No. 1. I think I have answered question No. 1.

Mr. HUNT. May I comment on the Senator's observation?

Mr. WHERRY. Certainly.

Mr. HUNT. As one Member of the United States Senate, well as I know the Senator from Nebraska, and highly as he is esteemed in my State—

Mr. WHERRY. The esteem is mutual, I wish to assure the Senator from Wyoming.

Mr. HUNT. I do not believe that anyone on the floor of the Senate can high-pressure the Senator from Nebraska for additional appropriations.

Mr. WHERRY. That is the very reason why I think the Senator from Wyoming should not ask that the bill now before the Senate should be passed at this time. I do not believe it should be passed now because I think the Senator from Wyoming is using the bill indirectly to lift the ceiling before the mutual defense measure comes to the floor for debate on the point as to whether or not the ceiling should be lifted.

Let me ask the Senator how many of the vessels are now out of moth balls. I am a little confused with respect to the vessels in categories one and two.

Mr. HUNT. I am told by the member of the staff at my side that 15 are out of moth balls.

Mr. WHERRY. Fifteen. How long have they been in use?

Mr. HUNT. Some of them since 1943—since between 1943 and 1945.

Mr. WHERRY. The various foreign countries involved have not been very impatient to obtain the titles since they have obtained the vessels, and if they are not impatient about getting the titles, why are we worrying about the titles?

Mr. HUNT. We are not worrying so much about the titles.

Mr. WHERRY. What are they worrying about?

Mr. HUNT. They do not want to spend any more money on the vessels to modernize them and keep them in their own navies if they are not going to keep them.

Mr. WHERRY. What the Senator means, then, is that in order to get the

titles transferred we have to rehabilitate these vessels?

Mr. HUNT. Yes; we have to rehabilitate them.

Mr. WHERRY. And then what?

Mr. HUNT. That is already a matter of understanding and a matter of agreement, of course.

Mr. WHERRY. The foreign countries in question do not care about the titles; they simply want to have the vessels rehabilitated.

Mr. HUNT. As has been agreed to by the United States Senate.

Mr. WHERRY. When the vessels have been rehabilitated, how good will they be then?

Mr. HUNT. They will be very inadequate then, according to our standards.

Mr. WHERRY. Does the Senator want to palm off on other countries old vessels which are no good? Why give them to the other countries? The Senator says he wants to help them by giving them something with which to fight. It is proposed to pass to certain foreign nations old vessels which the Senator says will not be very good even after we have rehabilitated them. The Senator says he wants the United States to transfer them to these countries because they are no good.

Mr. HUNT. I will give the Senator from Nebraska my philosophy as to why we have been doing so much giving since the end of World War II. It is because it is the best protection for the security of the United States of America. So far as the junior Senator from Wyoming is concerned, while I have a deep sympathy for the other nations, primarily I am not interested in their situation. I am interested in protecting the United States of America. That is the theory behind the whole program.

Mr. WHERRY. On that theory, how many vessels is the Senator willing to give away? If the Senator's theory is correct, the more vessels we give away the more security we will have.

Mr. HUNT. The Senator from Nebraska asked me how many vessels we are going to give away.

Mr. WHERRY. The Senator wants to give vessels to other countries on the theory that it will result in security to us. Therefore the more vessels we give to other countries, the more security we will have, according to the theory of the Senator from Wyoming.

Mr. HUNT. I would be willing to give away as many as the Chief of the Defense Department and the General Staff say is best to give away for the defense of the United States.

Mr. WHERRY. The Senator says that if these vessels are rehabilitated they will not be lost, that they will be useful to the nations which receive them in their contribution to world security.

Mr. HUNT. I believe it is more a question of these vessels or perhaps no vessels at all.

Mr. WHERRY. If the vessels, when rehabilitated, will be of value to other countries, they could be of value to us. If the Senator is proceeding on the theory that the United States has to provide security for the whole world, of course it does not make any difference, so far as actual vessels are con-

cerned, whether this country or some other has them. But in the interest of the national security of this country, it is the opinion of the Senator from Nebraska that we should not give away a war potential if we have to replace that war potential by building new vessels. That, however, is what we are called upon to do. That is the record.

Mr. HUNT. The Senator from Wyoming takes the position that he wants to do everything possible to keep war away from the shores of the United States.

Mr. WHERRY. We all want to do that.

Mr. MALONE. Mr. President, it seems that over the years we have been expert—I am referring especially to the State Department and the Congress of the United States which has followed the State Department in almost everything it has recommended—we have been expert, I say, in the giving away of our trading points.

We give other countries money, and then ask them on bended knee to please quit trading with Russia and the satellite countries. Some of the countries to which we have given money deny that they are trading with Russia, but England has come out flat-footedly and said she must continue her trading with Russia and the iron-curtain countries. Claims have been made that strategic materials have not been sent to Russia and the satellite countries, but the Senator from Nevada maintains that shirt buttons and food are really strategic materials when they come into the hands of the Chinese Communists or any other armed forces fighting against us.

The junior Senator from Nevada asks a question. Is it well to give away all our trading points? We are giving away or have pledged to give away \$17,000,000,000. We have given away \$40,000,000,000 since World War II ended. We have given away \$126,000,000,000 since 1941. No strings have been attached to those gifts, no conditions have been placed on the money we have given away or are giving away to Europe.

We should require as a condition of further aid to Europe that there must be a United States of Europe, or a customs union, so that the people of Europe could build up their economic and military strength. There has been no condition placed on the giving away of this money to the effect that the recipient countries must have a form of interchange of currency between themselves and our currency on the open market. There has been no condition that the recipient countries must guarantee the integrity of the private investments in their respective countries. Then, we come along with a point 4 program. We make a bad investment because those countries are not required to have any responsibility in connection with the investment. Thus, we have no trading point whatever. We come on bended knee and humbly beseech them to do such and such things.

It is now proposed that we give away still more trading points. If we own the vessels in question, and they are under so-called lend-lease, it is said they will remain in that status until such time as Congress sees fit to raise the limitation.

It is the opinion of the junior Senator from Nevada, and I should like to know if it is not the opinion of the junior Senator from Nebraska also, that we should keep a trading point or two, so that if the recipient countries should begin to go haywire we would have something to fall back upon. France and England are now dealing with Russia in every way. They have economic and military pacts with Russia. The list is in the Record. The junior Senator from Nevada has put a list of the pacts, 96 trade agreements with Russia, in the Record. By now, there are probably 150 pacts or agreements entered into between Russia and the Western European countries, the so-called Marshall plan countries. Would it not be well to keep strings on some of our possessions, so that we can pull back in case the recipient nations refuse to cooperate with us?

Mr. WHERRY. In answer to that question, I will say that I think we ought to have a string on this vessel transfer, at least until the bill providing for extension of the Mutual Defense Act is brought to the floor for debate and consideration.

Section 4 of Public Law 3, chapter IV, Eighty-second Congress, first session, provides that—

Notwithstanding the provisions of the Mutual Defense Assistance Act of 1949, as amended—

That act contains a limitation of \$700,000,000 on surplus property that can be given away—

or the provisions of any other law, no battleship, carrier, cruiser, destroyer, or submarine of the United States which has not been stricken from the Navy Register—

These vessels have not been stricken— as provided by section 2 of the act of August 5, 1882 (22 stat. 296), as amended, or any interest of the United States in any such vessels, shall hereafter be sold, transferred, or otherwise disposed of unless authorized hereafter by the Congress.

My whole point is that inasmuch as there is a limitation of \$700,000,000 in the act which is to come before the Senate for debate and for new authorization, certainly we should not give these vessels away until the act is amended as suggested by the distinguished Senator from Wyoming. If that happens, and it is agreeable to the Senate that the ceiling shall be raised, then there is no other alternative than to bring forward this bill, if it is desired to make the transfer, and if the transaction comes within the provisions of the new authorization. I think that until that time arrives we should not transfer these vessels.

Does that answer the question of the Senator from Nevada?

Mr. MALONE. No. I should like to ask the distinguished Senator from Nebraska another question.

Mr. WHERRY. I did not make reply with respect to the trade agreements.

Mr. MALONE. My question was this: Should we not insist on certain conditions in connection with our aid, so that we could do something about it should recipient nations insist upon arming Russia or arm our enemies all over the world, as they are now doing?

Mr. WHERRY. I will say "Yes" in answer to that question.

Mr. MALONE. It is time to draw all these pictures together. We are called on to take up one thing at a time on the floor of the Senate, and consider it to the exclusion of everything else, as though that were the only thing to be considered.

Mr. President, at this moment the taxpayers of America are worse off than they have ever been in the history of the United States. We are not as well off as are some of the countries we are helping. Because we have a far-reaching taxing system, we can tax a little stenographer 2,000 miles away and take from her \$10 or \$15 a week. She has no come-back when we send her money along with the money of others to France to build a ship, or send a destroyer to France. I am taking France as an example.

Why would it not be well to let France pay a fair price for the destroyer? It is said that there is a shortage of dollars. That is the greatest hoax ever sold to a trusting people. We all have a shortage of dollars when we want to spend more than we currently earn.

We could take francs in payment for that vessel, at a fair value—not 10 percent of the value. We could take the francs at the current rate of exchange and place them in the United States Treasury, to be used when we purchase things from French territory. Then, when we purchase nickel and chromite from New Caledonia, or manganese and other materials from French West Africa, those needed metals could be paid for with the francs we would be holding at the current rate of exchange. Then we would be dealing in terms of something that the other nation has. The junior Senator from Nevada was in French West Africa in 1948 and investigated this question.

Mr. WHERRY. What the Senator is suggesting is that when we need strategic materials for the economy of this country, we should have francs to pay for them.

Mr. MALONE. What the junior Senator from Nevada is suggesting is that we use a little more common horse sense in the transaction of the business of the taxpayers of the United States.

Mr. WHERRY. I think the suggestion is a timely one, and ought to have the attention of all Members of the Senate.

Mr. CASE. Mr. President, will the Senator yield?

Mr. WHERRY. First, I should like to ask the Senator from Wyoming a question.

Several explanations have been made with respect to section 1 and section 2. How many of the vessels which are to be transferred come under the Mutual Defense Act, with respect to which it would be necessary to lift the ceiling?

Mr. HUNT. Under section 2, only 15 vessels.

Mr. WHERRY. They are inventoried at \$7,000,000 apiece.

Mr. HUNT. Yes.

Mr. WHERRY. So 15 of them would come under the Mutual Defense Act. There is a total of 24 vessels. That

leaves 9. Are those proposed to be outright grants, involving no remuneration at all?

Mr. HUNT. Some of them are and some of them are not. The situation is explained in the report on page 3, in the first and second paragraphs. Those going to Peru and Uruguay are reimbursable. However, I think the Senator should realize that they are reimbursable only to the extent of 10 percent of the original cost.

Mr. WHERRY. But those vessels do not in any way affect the ceiling under the Mutual Defense Act if they are transferred now.

Mr. HUNT. The Senator is quite correct.

Mr. WHERRY. I now yield to the Senator from South Dakota.

Mr. CASE. I was wondering whether the distinguished Senator from Nebraska had had the opportunity to read the Evening Star of today, which contains a dispatch which I should like to read at this point.

Mr. WHERRY. I am glad to yield for that purpose, provided I do not lose the floor.

Mr. CASE. It appears on page 2 of the Evening Star of today. It is headed "Byrd's son dismayed after tour of Europe."

The dispatch reads as follows:

ROANOKE, VA., August 16.—State Senator Harry F. Byrd, Jr., said last night the "more one sees of Europe the more determined one becomes to help preserve the American way of life."

Senator Byrd, editor of the Winchester Star, who has returned recently from a 6-week stay in Europe, spoke here at the annual banquet of the Virginia State Sheriffs and City Sergeants Association.

He paid high tribute to the leadership of General Eisenhower and says he is working against terrific obstacles in his effort to build an efficient fighting force in Western Europe.

"There are too many signs," Senator Byrd continued, "that Europeans regard American resources as limitless, and feel that America can and must carry the bulk of the load."

Has the Senator from Nebraska had an opportunity to read that article?

Mr. WHERRY. I have not read the article, but I have talked with others who have visited Europe, and who hold the same view—especially some of those who have just recently returned.

Mr. CASE. The next question I should like to ask the Senator from Nebraska is this: Does he not believe that these transactions, in which we transfer facilities to other countries and do not ask anything in return, are responsible for the attitude which State Senator Byrd and others are finding, namely, that Europeans regard American resources as limitless, making them feel that Americans will carry the bulk of the load?

Mr. WHERRY. There is no doubt in my mind that the greater contribution we make the easier it is for those countries to accomplish their objective. Naturally they become more and more dependent upon the United States. There can be no doubt about that. I think there is a great deal of merit in what State Senator Harry Byrd, Jr., of Virginia, said upon his return from Europe.

Personally, I believe that the lend-lease program, under which we have obtained practically nothing, has been a bad deal. We have told the people of the United States that we are lending certain facilities under lend-lease. I think it has done a great deal of good so far as getting materials to European countries is concerned, but so far as helping the people of those countries to realize their responsibilities and make some effort to pay for these things, it has made them more dependent than ever on the taxpayers of the United States.

We can talk about giving things away around the world; but the American people are at the point where I am sure they feel that we cannot continue to arm half the world with the money which they as taxpayers provide. It simply cannot be done. What we must do under our rearmament program, and under a proper defense policy, is to determine what the "must" is. We must start with the first priority and then add to it what we must have in order that we may have a defense policy which will protect the security of the United States and give as much security as possible to other free nations. However, this must be done in keeping with the ability of the United States to pay, because if we go the other route we are going into bankruptcy; and that is just what Russia wants the United States to do.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. WHERRY. Gladly.

Mr. MALONE. On August 1, 1951, the Senator from Nevada read from a review of a report, to which he should like to make reference at this time. The junior Senator from Nevada referred to a report which had been issued some time before that. A review of the report appeared in the Annals of the American Academy of Political and Social Science in May 1951. The report was issued by the Royal Institute of International Affairs, and is entitled "Defense in the Cold War: The Task for the Free World—A Report by a Chatham House Study Group." The report was published in London and in New York in 1950. I read from the review of the report, as follows:

This study of the current world situation is the collective product of a group which the London Observer refers to as "some of the best brains of the British Service Staff and the Foreign Office." Nevertheless it contains little that is new, and many of its conclusions can hardly be accepted by Americans.

Mr. President, this is very important to the Members of the Senate. The group was referred to as "some of the best brains of the British Service Staff and the Foreign Office."

I read further:

To Americans an interesting reflection of European attitudes is contained in the discussion of whether Britain and France can afford to rearm "for the third time in half a century." Here the authors draw earnest attention to the fact that such an effort would call for little in the way of sacrifice of social services and living standards, since raw materials, food, and war supplies can be had in large quantities free from the United States. The argument clearly discloses that

Europe expects America to place a floor under its present standard of living, as well as to provide the planes, guns, and nuclear manpower necessary to the defense of both Europe and European colonies.

That is the attitude of the best brains in Britain.

Mr. President, we can build up a case against it as much as we wish, but we have talked the European countries into believing that our resources are unlimited and there is no reason why we should not give the ships to them. I suggest that the junior Senator from Wyoming [Mr. HUNT], obtain the report from the Library. It says in so many words—and I quote the words exactly—that “such an effort would call for little in the way of sacrifice of social services and living standards”—Such as socialized medicine, free false teeth, free eyeglasses, and all the rest—“since raw materials, food, and war supplies can be had in large quantities free from the United States.”

It is not the junior Senator from Nevada speaking. It is what the best brains in England say.

Mr. WHERRY. I thank the Senator from Nevada for his contribution. I do not wish to detain the distinguished Senator from Wyoming [Mr. HUNT] any longer, because I realize that he has presented the bill for the Committee on Armed Services. That was his assignment. He has presented it and, according to his lights, he has presented it very ably.

This bill came to the Senate, without much study having been given to it by the junior Senator from Nebraska. I had some knowledge of it. I had looked it over to some extent. I thought that it indirectly repealed the ceiling. I believe it does.

No matter how meritorious the proposal may be, I do not believe that the Committee on Armed Services or the Committee on Foreign Relations should call upon the Senate to transfer the vessels until at least the Senate has had an opportunity to debate the mutual-defense bill and decide whether or not it wishes to lift the ceiling and how much contribution we shall make to foreign countries under the Mutual Defense Act. I believe that to be the sound procedure to adopt. It is only fair to do so. It is in keeping with the law with reference to limitations.

After hearing some of the observations which have been made I am not prepared to say that I shall support the bill in any event. I do not want anyone to labor under any misapprehension. I feel, however, if the Senator from Wyoming and the other members of the Committee on Armed Services would agree to wait until the authorization bill comes before us, that then would be the proper time to debate the issue on the floor. If it is determined that the ceiling should be lifted, then the next order of procedure would be the transfer of the vessels. I appeal to the Senator, and ask him if that is not a fair position to take, regardless of how he may feel about the merits of transferring the ships.

Mr. HUNT. I may say that it places the junior Senator from Wyoming, act-

ing in behalf of the committee, in the position of assenting to the suggestion, which he does not do, that it is not necessary to raise the ceiling because the Senate has refused to transfer the vessels. However, I agree with the Senator from Nebraska [Mr. WHERRY] that we have taken quite sufficient time in our discussion of the subject. I am wondering whether it would be agreeable to the Senator if I were to make alternate suggestions.

One suggestion would be that we act on section 1 of the bill today and strike out section 2, section 1 being already covered by the lend-lease limitation. Or, I would make the proposition to the Senator from Nebraska, that we defer final action on the whole bill until the Senate acts on the Mutual Security Act, provided he would agree that the bill would be the first order of business after action on the mutual security bill.

Mr. WHERRY. I think the second proposal is the fairest one. As soon as the Mutual Defense or Security Act is out of the way I would have no objection whatever to having this bill brought forward for further consideration.

Mr. HUNT. May I ask the majority leader if it would meet with his approval to defer action as of today on this bill until after the Senate has acted on the mutual-security bill? In the event the ceiling is raised this bill would be the immediate order of business. I believe we have had sufficient debate on it. It would take only a few minutes' time to act on it then.

Mr. McFARLAND. I have no objection to following that plan if the distinguished Senator from Wyoming in charge of the bill wants to do it. It would be agreeable to me. However, I believe there should be a limitation of debate imposed if that is done, because the bill has already been debated, and probably we will be crowded for time when the bill is taken up again. We should have a limitation of debate on the bill of perhaps 1 hour or so.

Mr. WHERRY. So far as the junior Senator from Nebraska is concerned he is perfectly willing to vote on the bill or any part of the bill at this time. However, I believe the logical thing to do, as I said previously, is to wait until the Mutual Defense Act is out of the way. Then we will know whether the ceiling has been lifted. The bill would then be in order. Whether at that time there would be any additional debate about the ships involved in the pending bill I do not know. So far as I am concerned I believe the subject matter has been pretty well covered in debate. I should like to suggest to the distinguished Senator from Wyoming, if he does not want to delay the bill, that he move to eliminate section 2, which could be considered later, and go ahead with the first section of the bill at this time.

I am not at all convinced that the transfer should be made. If a vote is had on the bill, I shall vote against it. However, I have no objection at all to voting on it at this time. No doubt the bill would be passed, if it were voted on today, if section 2 were deleted.

Mr. HUNT. I should like to ask the distinguished Senator from Nebraska whether, in the event a motion to strike section 2 is made, we then could have an understanding that we would act on section 1 immediately following the action of the Senate on the Mutual Security Act.

Mr. McFARLAND. Mr. President, I would see no reason for striking out section 2 now. Perhaps after the Mutual Security Act is passed upon we might want to include section 2.

Mr. WHERRY. Then it seems to me that the best thing for us to do is to wait until the Mutual Security Act has been passed upon, and then we can determine how best to proceed in connection with the pending measure, because if the ceiling is raised, of course the enactment of all of this bill would then be in order.

Mr. MALONE. Mr. President, I would say that there will be a serious question about this bill, even after the \$700,000,000 ceiling or limitation is raised. In other words, this bill must stand on its own feet, after all.

What we objected to in the beginning was the building up, by means of the bill, of a force which would require the passage of another bill. In my opinion, this is the wrong time to consider this bill; and I think this bill must stand on its own feet.

Mr. HUNT. Mr. President, I should like to withdraw the pending bill at this time and to ask unanimous consent that it be considered immediately following the action of the Senate on the Mutual Security Act.

Mr. MALONE. With no limitation on debate?

Mr. CASE. Mr. President, reserving the right to object—

The PRESIDING OFFICER (Mr. CLEMENTS in the chair). Does the Senator from Wyoming make a unanimous-consent request to that effect?

Mr. HUNT. I make that unanimous-consent request, but without providing for any limitation on debate at that time.

Mr. CASE. Mr. President, reserving the right to object, let me say that this seems to be a matter of history. It has been said that history has a way of repeating itself. I recall that a number of years ago it was proposed that the Navy transfer certain so-called mosquito vessels to Great Britain. At that time I was a Member of the House of Representatives. My attention was called to the fact that that was proposed to be done by the executive branch of the Government without consultation with Congress. At that time no consideration or payment was proposed in connection with the transfer of the vessels.

In connection with my responsibility as a Member of the House of Representatives, I brought to the attention of the House the fact that such action would be in violation of a law passed in 1916 which made it impossible for the Navy or any other part of the executive branch of the Government to transfer a combat vessel to another nation. Furthermore, it was generally understood at that time that—at least when a war was going

on—such action would be more or less a violation of neutrality. As a result, the transfer was not made at that time.

Subsequently the President worked out the arrangement to exchange destroyers for certain bases, and thus we did secure the bases; we secured some compensation and some consideration for the transfer.

My basic feeling about the pending measure is much the same as that stated by the Senator from Nebraska and the Senator from Nevada, namely, that when we make such an arrangement, we should receive something in return. In my judgment, the attitude which the son of the distinguished Senator from Virginia [Mr. BYRD] has found to exist in Europe today is due to our giving away things and telling other nations, as in this instance, "You can get these vessels; under the first section, you will pay only 10 percent of the value; and under section 2, you will pay nothing"—with the result that we receive nothing in return. Such an arrangement is responsible for the feeling on the part of the other countries that the United States is rich enough to finance the rest of the world.

The reason why General Eisenhower is finding so much difficulty in obtaining a proper response from the other countries is that we have convinced them that the concern is entirely ours, not theirs. Until we adopt a policy of asking them for something in return, they will not regard the responsibility as theirs.

When the first appropriation bill for the Marshall plan or the ECA was before the Congress, my proposal was that we should require something in return. The RECORD will show that the House of Representatives, in passing that first appropriation bill in connection with ECA, included a proposal that the countries which were the recipients of ECA assistance should pay 10 percent in their own currency and should deposit that money in a so-called counterpart fund.

The junior Senator from Nevada has suggested that if we would use the currencies of the other countries—even though they may need dollars—to pay for things which we need and which those countries can supply, in that way we would obtain, for instance, nickel from New Caledonia and other needed strategic materials from other countries.

The Senate voted to strike out the 10-percent provision, but in conference a 5-percent provision was included. Mr. Foster and other officials of the ECA have said that that was one of the most valuable provisions, because it made those countries take into consideration the quality of the goods on which our dollars were spent.

In that connection, Senators will remember that when we had the WPA in this country, we required the local sponsors to put up anywhere from 15 to 20 or in some cases as much as 35 percent in the form of a sponsor's contribution or a guaranty by the local interests that the project was not simply a leaf-raking job, but was a project which had some intrinsic value or merit. We found that as a result, the local authorities were

more careful in proposing projects, if they had to put up at least some matching funds.

So it has been found in connection with the ECA that even though the other countries put up only a nickel on each dollar, at least they are, as a result, more careful as to the projects they propose.

Earlier it was pointed out, in that connection, that approximately \$165,000,000 worth of strategic materials had been acquired by us with the counterpart funds.

So I believe the same principle should be applied in the present case. Instead of saying that inasmuch as these vessels are now in the possession of these countries, under lend lease, we should transfer to them the title to the vessels, I say that we should make some requirement for these countries to give us something in return, so that they will feel that the job is theirs, too. Until we do that, they will feel that the United States can carry the entire program alone and that the entire program is in our interest, not in theirs.

Furthermore, until such an arrangement is made, the job will not be done, and General Eisenhower will continue to have difficulty abroad.

So, Mr. President, in reserving the right to reject, I should like to know whether it will then be the thought of the Senator from Wyoming that this bill might then be considered by the Senate with an amendment requiring something in return for the vessels which are to be transferred.

Mr. HUNT. Mr. President, I find myself quite in harmony with the thinking of the Senator from South Dakota. However, in the case of each of the transfers, there already is an agreement between the recipient country and the United States. I do not know what those arrangements may be.

If the Senator will agree to the unanimous-consent request which I have made, most certainly he will have an opportunity to submit any amendment he cares to submit when the bill is before the Senate.

Mr. CASE. Is information available to the Senate as to what those reciprocal agreements are?

Mr. HUNT. Certainly it should be; I see no reason why it would not be.

Mr. CASE. It seems to me that is another reason for postponing the consideration of the measure which now is before the Senate until that information is available. We do not have it today.

Mr. HUNT. Unless the information is classified information, we should be able to obtain it.

Mr. CASE. If it is classified information, of course we would not wish to have it stated on the floor of the Senate. However, certainly it should be possible to give Senators assurance that such arrangements do exist in substantial degree.

I withdraw my reservation of the right to object.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. CASE. I yield to the Senator from Nevada.

Mr. MALONE. I draw the attention of the Senator from South Dakota to

the report issued from England, which shows that they are now taking it for granted that they must give up very little, if anything, in the way of sacrifice of social services and living standards, since as they say, raw material, food, and war supplies can be had in large quantities from the United States. This British attitude of "no sacrifice of social services and living standards" has developed from policies which have been heaped up here in Washington for the past 5 or 6 years.

Mr. President, I am very happy that the distinguished Senator from South Dakota has remarked upon the feasibility of receiving foreign country's money at the current rate of exchange and putting it into a special fund for our subsequent purchases abroad. England, for example, wants some of our cruisers. We could accept England's pounds, in payment. England has almost half the world in the sterling bloc, and in half the world one can buy anything in pounds.

All the way from Australia to Canada, and even to India and on through South Africa, that is true. The junior Senator from Nevada has been in those countries and has discussed these matters in some detail with the leaders of those countries, including Prime Minister Nehru.

Suppose we took pounds in payment for a cruiser. We are buying strategic materials in sterling-bloc countries. We are buying wool in large quantities from Australia. The pounds are good anywhere. Let us take the pounds at the current rate of exchange in payment at the time we sell the vessels, or at the time we sell anything else to Britain, and then spend the pounds at the current rate of exchange at the time of the transaction for things we may need, such as wool, manganese, gold, or anything else that we want to buy. Now, an advantage in this is that we would then not be giving them anything above what they are currently earning. Let us use a little horse sense.

England is getting from the United States of America about \$8,000,000,000 a year—that is what it adds up to, about \$8,000,000,000 a year for the past 4 years—through the Export-Import Bank, the World Bank, and the direct gifts from the Congress of the United States. This in American dollars. Consider, then, all the tricky things they are able to pull on us in addition. We are put in the ridiculous position of being forced to get up here and seriously debate each particular item, each separate scheme, as if it were the only one. The whole thing should be tied together and presented fairly.

The sterling bloc is organized for one reason, and that is to manipulate the currency exchange so as to defeat us in trade—and the result is, in every case, that we are the victims. I shall not now go into how they do it. The junior Senator from Nevada has explained it on the floor several times. It has never been questioned. But the sad thing is this body has overlooked this important and serious situation, and what is the result? I want to call to the attention of the distinguished Senator from South Dakota the crowning blow, as revealed in

today's newspaper. In today's Journal of Commerce there is a London dispatch of August 15 showing that Britain defies the United States of America.

I ask unanimous consent to have the news article printed in the RECORD at this point in the debate. The headline says, "Red bloc trade tie vital to Britain—Shawcross."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

**RED BLOC TRADE TIE VITAL TO BRITAIN—  
SHAWCROSS**

LONDON, August 15.—A British spokesman said today that, short of general war, this nation must continue to do business with Communist countries despite American criticism.

Sir Hartley Shawcross, president of the Board of Trade, urged the American people to believe Britain's economic woes make trade with East Europe essential and irreplaceable.

In a major policy speech at Truro, Cornwall, Shawcross also disclosed that Russia has reserved the right to tear up a new \$28,000,000 timber contract with Britain unless this country swaps rubber supplies in return.

**MOSCOW ASKS UNITED STATES TRADE RISE**

About the time Shawcross was speaking, the Moscow radio broadcast a plea for more trade between Russia and the United States. An article in the English-language News, the radio said, expressed the view that a revival of Soviet-American trade "would be a valuable contribution toward a healthier world economy." It suggested the United States machine-tool industry could find a big market in Russia.

Timber and grain make up the bulk of Russia's exports to Britain. The British pay with wool, rubber, machinery, and such other Commonwealth products as jute, cotton, and cocoa.

Shawcross made it plain Britain will continue the general western ban on shipment of war-potential goods.

But the Battle bill in Congress, with few exceptions, would bar all forms of American aid to nations which do any trading with Communist countries.

**ESSENTIAL TO WELL-BEING**

"This (east-west trade) is not a matter which ought to be settled by the laying down of unilateral conditions or by the denial of supplies to our well-being," Shawcross said. "It is preeminently one for frank but friendly discussion between allies."

Under American pressure, Britain last April cut off all British rubber exports to Red China. Rubber has important war uses.

Rubber exports have continued to Russia, but on a basis of rationing. Britain sends to Russia monthly little more than 6,000 tons, a quantity considered necessary for her normal civilian needs.

Anglo-Soviet discussions have begun for a new coarse-grains agreement to cover the Russian's latest harvest sales period. This country hopes to get up to 1,000,000 tons of corn, barley, and oats.

**DEPENDENCE ON FOOD IMPORTS**

Shawcross noted that 60 percent of Britain's food is imported.

He warned Britain's world-trade balance is showing a deficit and is especially serious on the dollar side. Britain could get grains and timber to replace her Russian supplies only from the dollar area.

The biggest items of Commonwealth trade with Russia in 1950 were wool and rubber.

Wool sales from the Commonwealth totaled about £23,600,000 (\$66,080,000). Nearly all of it came from Australia.

Rubber sales from the colonies were £18,004,000 (\$50,411,200), plus £2,318,000 (\$6,490,400) of reexports from Britain.

The British Board of Trade said price increases for both commodities concealed real drops in the actual amounts shipped to Russia.

Machinery valued at £10,000,000 (\$28,000,000) accounted for 75 percent of Britain's own exports to Russia. A Board of Trade spokesman said all the machines were subject to export control and by no stretch of the imagination could have any strategic value.

Mr. CASE. The Senator, I think, saw that same statement from an evening paper yesterday.

Mr. MALONE. The article shows that Britain is trading with and furnishing materials to iron-curtain countries, including Russia and Communist China. The junior Senator from Nevada has stood here from time to time since 1948 and placed in the CONGRESSIONAL RECORD, lists of trade treaties, showing that all kinds of materials, including electrical equipment, ball bearings, locomotives, road-building machinery, and every kind of equipment needed by Russia and her satellites to consolidate their gains and to win world war III against us, have been furnished those countries through the Marshall plan.

If we could but use a little common horse sense on the Senate floor and discuss these things from the standpoint of the welfare and safety of the United States of America, the junior Senator from Nevada would be very happy.

Mr. CASE. Mr. President, the junior Senator from Nevada is entitled to a great deal of credit for his repeated and consistent efforts to expound a little common sense on the floor of the United States Senate. I withdraw my reservation of the right to object.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming? The Chair hears none, and it is so ordered.

**AMENDMENT OF THE MERCHANT MARINE  
ACT, 1936**

Mr. McFARLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar 274, Senate bill 241, a bill to amend the Merchant Marine Act, 1936, as amended further promote the development and maintenance of the American merchant marine, and for other purposes.

I might state, before we vote on the motion, that we have many committees meeting this afternoon. The Committee on Finance and the Committee on Appropriations are both working on "must" legislation, and they will be meeting tomorrow. For that reason, it will not be desirable to meet tomorrow, and the purpose is to have this bill made the unfinished business, with the expectation that it will be laid aside temporarily for the appropriation bills, but will be considered as and when possible, between appropriation bills.

Mr. WILLIAMS and Mr. BRICKER addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield, and if so, to whom?

Mr. McFARLAND. I yield first to the Senator from Delaware.

Mr. WILLIAMS. Before the question is put on the motion, I want to ask the Senator from Arizona what has happened, since about 4 hours ago, to change his plans. At that time he planned to have a session this afternoon and another session tomorrow.

Mr. McFARLAND. My reason for making the suggestion was largely because the Senator from Delaware stated he had not had sufficient time to study the amendment in the nature of a substitute. As I told him yesterday, things might work out the very way he desires; for I expected a treaty would be considered first, but that I had thought we could have some consideration of the bill tomorrow, and that then it would have to go over. It is largely, or partially, at least, because of the Senator's insistence that he had not had time to consider the substitute, that I was willing to make this concession and to confer with other Senators, the result being that they were finally willing to agree to the suggestion.

Mr. WILLIAMS. I may say to the Senator from Arizona that I did ask that this bill be carried over until next week, because I desired an opportunity to study the bill further. I have attended this session continuously since January 3, and, to my recollection, have missed only 1 day's session. I did have commitments, as a result of which I was supposed to leave Washington tomorrow, and I asked particularly that this bill might go over. That request was rejected, and I thereupon canceled all those engagements.

Mr. McFARLAND. The only thing which changed the situation, so far as the Senator from Arizona was concerned, was the fact that we were not able to get the proper attendance on the floor today, because several committees were meeting. Another important fact was that the Senator from Delaware said he had not had sufficient time to study the substitute. I tried to accommodate the Senator, rather than do otherwise. I did not know he was going to cancel his engagements. I told the Senator yesterday that it might work out the very way he desired, I gave him that notice yesterday, and I told him I would talk to him again today.

Mr. President, the Senator from Delaware is the only one I have seen who wanted to get away for some reason. I do not have any criticism of the Senator from Delaware. I know his reason for going is a very worthy one, as he has explained it to me; but it is absolutely impossible for the Senate to accommodate itself to the wishes of individual Senators who may want to be away for one reason or another. I assure the Senator that the continuance until Monday is not for the purpose of permitting any Senator to leave the Senate. The Senator from Delaware is the only one who has told me that he had engagements and that he would not be present tomorrow.

Mr. WILLIAMS. Mr. President, I recognize the fact that the Senator from Arizona cannot comply with the wishes of each individual Senator therefore I canceled my engagements. What I complained of, primarily, is that an attempt is being made to push through a measure

which has not been studied by the committee. This bill should not be made the pending business without a full committee report.

I suggest the absence of a quorum.

Mr. BRICKER. Mr. President, will the Senator withhold his suggestion of the absence of a quorum?

Mr. WILLIAMS. Yes.

FREEDOM OF THE PRESS, AND THE UNITED NATIONS COVENANT ON HUMAN RIGHTS

Mr. BRICKER. Mr. President, I wish to make a few remarks upon a subject to which I gave attention a few weeks ago.

On the front page of yesterday's New York Times there is an extremely significant report from Geneva written by Mr. Michael L. Hoffman. This story appears under the caption, "U. S. bars U. N. Pact on free press as curbing publication of news." The story relates to the action of the United States in denouncing and rejecting the proposed United Nations Convention on Freedom of Information.

On July 17, 1951, I made my initial statement in opposition to the United Nations draft Covenant on Human Rights. In that statement I pointed out that freedom of the press could be destroyed under the provisions of article 14, paragraph 3, and article 2, paragraph 1, of the draft covenant. Accordingly, I introduced Senate Resolution 177 declaring it to be the sense of the Senate that the draft Covenant on Human Rights be not approved and that representatives of the United States withdraw from further negotiations on the covenant.

Mr. Hoffman's report from Geneva indicates that the State Department's action with reference to the draft Convention on Freedom of Information is the same action which Senate Resolution 177 calls for with respect to the draft Covenant on Human Rights. There are three points in connection with the State Department's denunciation of the draft Convention on Freedom of Information which I wish to discuss very briefly.

First, Mr. President, I desire to commend the State Department, which is a bit unusual for me, for its unqualified rejection of a convention which would legalize a host of restrictions on liberty of the press.

As Mr. Hoffman points out in his report, the draft Convention on Freedom of Information "would permit suppression of news and prosecution of news media for publishing materials 'likely to injure feelings' of other nations or religious or racial groups, 'false or distorted reports which undermine friendly relations between peoples or States' and other such broad categories of news that governments never like to have published."

Secondly, the sincerity of the State Department's opposition to the draft Convention on Freedom of Information will not be proved until it denounces the proposed Covenant on Human Rights. Article 2 (1) and article 14 (3) of the draft covenant authorize a much wider range of restrictions on liberty of the press than those permitted under the Convention on Freedom of Information. As long as the State Department continues to support the draft Covenant

on Human Rights, I feel justified in repeating my charge that the State Department endangers freedom of the press.

Finally, Mr. President, the State Department at last seems to have recognized some of the dangers inherent in trying to establish by way of U. N. treaties a universal definition of fundamental freedoms. Most of the members of the United Nations subordinate the rights of the individual to the power of the State under some form of communism, fascism, or socialism. It was fantastic to expect that these countries would enter into any agreement recognizing the principles of economic and political freedom embodied in the Constitution of the United States and the Declaration of Independence. By reason of its bitter experience in connection with the Convention of Freedom of Information, now is the time for the State Department to declare that the basic liberties of the American people will not be compromised for the sake of obtaining agreement on an international bill of rights.

Even if the draft Convention on Freedom of Information is never ratified by the United States, the State Department apparently recognizes that even the attempt to achieve a satisfactory convention has damaged the cause of press freedom. For example, the New York Times article contains these significant observations:

That many governments outside North America and northern Europe already suppress news of this type (according to their own definition) is, in the United States' view, beside the point. Signing of a United Nations convention approving such practices would remove any possibility of fighting for a better understanding of freedom of the press in the view of the United States representatives here.

United States sources believe there is about an even chance of killing the convention in the Economic and Social Council. They feel that if this is not done there is every possibility that the United Nations machinery will grind on until United States news agencies, newspapers, radio and other information media are faced throughout half of the non-Communist world with a United Nations convention on freedom of information that could be used to suppress news gathering almost as effectively as is already done in Communist countries.

In other words, any foreign country which may wish to give American correspondents the Oatis treatment could say that such action had been sanctified by a United Nations treaty—the Convention on Freedom of Information or the Covenant on Human Rights.

I might say that it would be dangerous indeed for this country to go along with such a convention or covenant, because it might approve such action as has been taken in the imprisonment of Oatis at this time, against which the State Department seems to be powerless to act and has been ineffective in any of its actions heretofore.

I do not agree with the conclusion of Walter Koschnig, United States delegate to the U. N. Economic and Social Council that restrictions on press freedom in international treaties ratified by the United States would be unconstitutional. A contrary conclusion of law has been

reached by the American Bar Association's Committee on Peace and Law Through United Nations. The fears of the distinguished lawyers who serve on that committee are fully justified by the opinion of Mr. Justice Holmes in *Missouri v. Holland* (252 U. S. 416 (1920).)

In conclusion, Mr. President, I would like to quote the two final paragraphs of a recent speech of Mr. Frank Holman, of Seattle, Wash., a past president of the American Bar Association. Mr. Holman and his associates in the American Bar Association have been pioneers in this fight against U. N. treaty lawmaking. The American people owe these distinguished leaders of the bar an incalculable debt of gratitude. Concluding his address before the national convention of attorneys general in Olympia, Wash., on August 7, 1951, Mr. Holman said:

We too often take the continuation of free government for granted. In so doing we can easily lose our rights and freedoms in the entanglements of international commitments and agreements, unless we, as citizens, become articulate and insist that our basic rights under the Constitution and our own Bill of Rights shall not be rewritten, leveled out, compromised, and confused by nebulous and ambiguous international language.

The effect of trying to incorporate in international documents these rights and freedoms that American citizens enjoy—whether under State or national constitutions—is to make them international rights and matters of international interpretation and give foreign governments, as well as individuals and pressure groups in other countries, the right and opportunity to challenge our own interpretation of our own rights by our own courts. Why shouldn't we keep sacred the rights we have under our own Bill of Rights—our freedom of speech and freedom of press and all our other basic individual rights? Why should we give them away? Why risk their impairment by international restatement and international interpretation? We should no more countenance an international rewrite of our basic rights than we would countenance an international rewrite of the Ten Commandments.

I say at this time that if our representatives in the agencies of the United Nations are imperiling the rights of American citizens, the time has come for this Nation to withdraw absolutely from any further participation with other nations that do not recognize the fundamental constitutional rights which are enjoyed by the citizens of the United States. The United Nations has been perverted from its purpose of securing peace for the world through international cooperation, and, instead, is setting up a form of government that is directly imperiling the basic fundamental freedoms of the citizens of the United States.

Mr. President, I ask unanimous consent that at this point, at the conclusion of my remarks, there may be published in full the editorial from yesterday's New York Times.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

UNITED STATES BARS U. N. PACT ON FREE PRESS AS CURBING PUBLICATION OF NEWS

(By Michael L. Hoffman)

GENEVA, August 14.—The United States denounced and rejected a proposed United

Nations treaty on freedom of information in today's meeting of the United Nations Economic and Social Council.

After several years of working within the United Nations to prevent the draft pact from becoming mainly a treaty for restriction on the activities of the press and other information organs, the United States has finally decided that the whole idea is a mistake.

"We have reached the conclusion," Walter Kotschnig, United States delegate, said in the social committee of the council today, "that the present unsettled times which reflect the deep-seated confusion of ideas and principles is not propitious for attempting such a work."

Mr. Kotschnig cited article after article of the draft convention that would be incompatible with American ideas of freedom to publish and criticize. He said the United States was not worried, especially about the United States own position. The Constitution would prevent the United States from taking repressive measures of the type permitted in any case, he said.

"My Government would not become a party to any such convention because we do not want to see any peoples subject to such limitations," Mr. Kotschnig added.

The portions of the proposed convention particularly obnoxious to the United States are those inserted mainly at the instance of Asian and Near Eastern governments.

These would permit suppression of news and prosecution of news media for publishing materials likely to injure feelings of other nations or religious or racial groups, false or distorted reports which undermine friendly relations between peoples or states and other such broad categories of news that governments never like to have published.

That many governments outside North America and northern Europe already suppress news of this type (according to their own definitions) is, in the United States view, beside the point. Signing of a United Nations convention approving such practices would remove any possibility of fighting for a better understanding of freedom of the press in the view of the United States representatives here.

This long-delayed adoption of a firm position against the freedom of information convention on the part of the United States has split the non-Communist countries sharply. On the one side are countries of English traditions and Scandinavia and, for most purposes, the Netherlands, and on other extreme are the Latin countries and Asian and Arab states. France is supporting the draft convention despite doubts about some of its parts.

#### OPPOSE FURTHER ACTION NOW

The immediate question is whether a meeting of plenipotentiaries should be held with a view to finalizing the convention and signing it. The United States, Britain, Canada, Norway, Sweden, Denmark, the Netherlands, Belgium, and Australia are aligned against further action at this time. Nearly all these countries, Mr. Kotschnig declared, have a long tradition of a free press.

United States sources believe there is about an even chance of killing the convention in the Economic and Social Council. They feel that if this is not done there is every possibility that the United Nations machinery will grind on until United States newspapers, radio, and other information media are faced throughout half of the non-Communist world with a United Nations convention that could be used to suppress news gathering almost as effectively as is already done in Communist countries.

#### AMENDMENT OF THE MERCHANT MARINE ACT, 1936

The PRESIDING OFFICER. The question is on the motion of the Senator from Arizona that the Senate proceed

to the consideration of the Senate bill 241, amending the Merchant Marine Act of 1936, as amended, and so forth.

Mr. WILLIAMS. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CLEMENTS in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Bennett	Ecton	Mundt
Bricker	Flanders	O'Mahoney
Carlson	Hendrickson	Pastore
Case	Humphrey	Schoeppel
Chavez	Ives	Smith, N. J.
Clements	Johnston, S. C.	Thye
Connolly	Langer	Wherry
Cordon	Magnuson	Williams
Dirksen	McClellan	
Dworshak	McFarland	

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators; and Mr. KNOWLAND, Mr. ROBERTSON, Mrs. SMITH of Maine, and Mr. SMITH of North Carolina answered to their names when called.

The PRESIDING OFFICER. A quorum is not present.

Mr. MCFARLAND. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. HOLLAND, Mr. WELKER, Mr. BYRD, Mr. BENTON, Mr. FREAR, Mr. GEORGE, Mr. MARTIN, Mr. JOHNSON of Texas, Mr. MILLIKIN, Mr. HOEY, Mr. KERR, Mr. LEHMAN, Mr. HAYDEN, Mr. MAYBANK, Mr. LONG, Mr. WATKINS, Mr. HILL, Mr. FERGUSON, and Mr. McMAHON entered the Chamber and answered to their names.

Mr. BRIDGES, Mr. BUTLER of Nebraska, Mr. CAIN, Mr. CAPEHART, Mr. DOUGLAS, Mr. DUFF, Mr. EASTLAND, Mr. ELLENDER, Mr. FULBRIGHT, Mr. GILLETTE, Mr. GREEN, Mr. HENNING, Mr. HICKENLOOPER, Mr. KEFAUVER, Mr. KILGORE, Mr. MALONE, Mr. McCARRAN, Mr. MCCARTHY, Mr. McKELLAR, Mr. MOODY, Mr. NEELY, Mr. NIXON, Mr. O'CONNOR, Mr. O'MAHONEY, Mr. RUSSELL, Mr. SALTONSTALL, Mr. SMATHERS, Mr. STENNIS, Mr. TAFT, Mr. UNDERWOOD, and Mr. WILEY also entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the motion of the Senator from Arizona that the Senate proceed to the immediate consideration of Senate bill 241, amending the Merchant Marine Act of 1936, as amended, and so forth.

Mr. WILLIAMS. Mr. President, I shall not oppose the motion of the Senator from Arizona. However, before Senate bill 241 is made the unfinished business, I wish to call attention to the fact that what will thus be made the unfinished business will be a 29-page bill which has been printed and available to the Senate for a little less than 24 hours. An amendment in the nature of a complete substitute has been offered by the Senator from Washington [Mr. MAGNU-

SON], supposedly on behalf of the committee. However, as one member of the committee, let me say that I never saw the substitute bill until yesterday afternoon.

Mr. WHERRY. Mr. President, may we have order? Too many conferences are going on in the Chamber at this time.

The PRESIDING OFFICER. The Senate will be in order.

Mr. WILLIAMS. Mr. President, as a member of the committee and as a member of the subcommittee by which this bill should have been considered, let me say that I never saw the bill until yesterday afternoon; and the first knowledge I had of the contents of the bill was the information which I received from representatives of the shipping interests through their lobbyists. Certainly that is not the way for us to legislate—to legislate on the floor of the Senate in such a manner.

So, Mr. President, after the motion to take up the bill is agreed to, I shall move that the bill be recommitted to the Committee on Interstate and Foreign Commerce, in order that the bill may be studied by the committee as a whole and then if they approve of the substitute proposal it can be reported in the regular manner.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 241) to amend the Merchant Marine Act, 1936, as amended, to further promote the development and maintenance of the American Merchant Marine, and for other purposes, which had been reported from the Committee on Interstate and Foreign Commerce without amendment.

#### AUTHORIZATION TO REPORT STATE, JUSTICE, COMMERCE, AND JUDICIARY APPROPRIATION BILL

Mr. MCFARLAND. Mr. President, in order to expedite the business of the Senate, I am willing to have the Senate take a recess from today until Monday, provided I can obtain the following unanimous-consent agreement: I ask unanimous consent that the Appropriations Committee be authorized—

Mr. CASE. Mr. President, may we have order, so that we can hear?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MCFARLAND. Mr. President, I ask unanimous consent—

The PRESIDING OFFICER. The Senator from Arizona will suspend. Any Members of the Senate who are in the rear of the Chamber and who desire to communicate with one another will please do so outside the Chamber. The Chair asks the Senator from Arizona to suspend until the Members of the Senate who are in the rear of the Chamber finish their discussions.

Mr. MCFARLAND. Mr. President, I want the Senator from Delaware to know that I shall give him ample time to make his motion. I simply wish to have action taken on my request before the Senate takes a recess or adjourns today.

I have just announced that provided that we can obtain the unanimous agreement which I shall propose, I am willing to have the Senate recess until Monday, in order that the Senator from Delaware or any other Senator may have further time to consider Senate bill 241 and the report on it.

Mr. President, I now ask unanimous consent that the Appropriations Committee be authorized to report during the recess of the Senate House bill 4740, making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1952, and for other purposes; that Senators may have permission to file any motions for suspension of the rule during that time; that Senate bill 241 be temporarily laid aside; and that House bill 4740 be taken up on Monday.

Mr. WHERRY. Mr. President, I understand that the distinguished majority leader is requesting authority for the Appropriations Committee to report House bill 4740 at any time between now and Monday. The question I have in mind is whether the report will be printed in sufficient time to be available to all Senators on Monday.

Mr. McCARRAN. Mr. President, let me say that in the committee we are working at this time on the State, Justice, Commerce, and Judiciary appropriation bill, and we have been working on it all afternoon. I do not know whether we shall conclude with the State Department portion of the bill by late evening; but we may.

Mr. WHERRY. Mr. President, there is no objection on my part to having the bill reported when the Senate is not in session. However, the other part of the unanimous-consent request is that House bill 4740 be made the order of business on Monday. I shall not object to that part of the request, but I wish to say that I think reports on any of the appropriation bills should be available in ample time. I think the Senator from Nevada knows now whether he will be able to report the bill in sufficient time to have the report available to Senators on Monday. I think the report should be on our desks on Monday.

Mr. McCARRAN. Mr. President, I do not know whether the report can be printed between Friday night and Monday. I doubt very much that it can be.

I do not think the bill should be made the subject of a special order for Monday. Tuesday would probably be all right.

Mr. WHERRY. Mr. President, I want the majority leader to know that I am not objecting to having House bill 4740 made the subject of a special order for consideration on Monday. I am not objecting at all to that. On the other hand, I think—and I suggest this to him—that reports on all the appropriation bills should be available to the Members of the Senate before the bills are considered by the Senate.

If the Senator from Nevada can assure us that printed copies of the report on this appropriation bill will be available in time to permit Senators to study the report, I think we would be perfectly

willing to having the requested agreement entered.

Mr. McCARRAN. Mr. President, I should like very much to assure the Senate of that. I can assure the Senate that we shall try; but that is all I can say.

Mr. McFARLAND. Mr. President, I am also willing to include the following in the requested unanimous-consent agreement, provided, that a printed report is available at that time; and, if not, then as soon as the printed report is available.

Mr. WHERRY. Does the Senator mean if the report is filed within 30 minutes after the Senate convenes?

Mr. McFARLAND. No; I said "the printed report."

Mr. WHERRY. But let us assume that the printed report is filed at 4 o'clock on Monday afternoon. The Senator from Arizona would not attempt to bring up the bill then until Tuesday; would he?

Mr. McFARLAND. Certainly not.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Arizona?

Mr. McCARRAN. Mr. President, before the request is agreed to, let me say that I think all I would care to agree to is that the Appropriations Committee be authorized, during the recess, to file its report on the State, Justice, Commerce, and Judiciary appropriation bill. I make that statement for the reason that the bill is now only in the subcommittee, and it has to go to the full committee, after the subcommittee agrees to it.

Mr. McFARLAND. Mr. President, let me assure my good friend the Senator from Nevada, that I shall not ask to have the bill taken up unless he is ready to have it considered.

Mr. McCARRAN. Very well.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Arizona, as modified?

The Chair hears none, and it is so ordered.

#### AMENDMENT OF THE MERCHANT MARINE ACT, 1936

The Senate resumed the consideration of the bill (S. 241) to amend the Merchant Marine Act, 1936, as amended, to further promote the development and maintenance of the American merchant marine, and for other purposes.

Mr. McFARLAND. Mr. President, at this time I yield to the Senator from Delaware, for I understand that he wishes to enter his motion today.

Mr. WILLIAMS. Mr. President, I enter a motion that Senate bill 241 be recommitted to the Committee on Interstate and Foreign Commerce. I shall discuss the motion further on Monday.

Mr. MAGNUSON. Mr. President, will the Senator speak a little louder, please? I could not hear him.

Mr. McFARLAND. Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senate will be in order.

Mr. WILLIAMS. Mr. President, I was merely filing a motion that Senate bill

241 be recommitted to the Committee on Interstate and Foreign Commerce, for further study and report on the bill.

Mr. MAGNUSON. Mr. President, I do not wish to take up the time of the Senate. However, in view of the statements which have been made by the Senator from Delaware, I think I should make a statement at this time in regard to Senate bill 241. The facts of the matter are that this bill has been on the calendar for weeks. In the committee the Senator from Delaware, I believe, voted against the original bill. We have had hearings. The printed copies of the hearings in my desk are so voluminous that I cannot even close it. As I say, in the committee, the Senator from Delaware, I believe, agreed to let the original bill be reported and placed on the calendar. I think those are the facts.

We discussed this matter for weeks and weeks. The Senator from Delaware objected to certain provisions of the bill, as did the Treasury Department, also. While the bill has been on the calendar, we have had several conferences with the Administration, with the Treasury Department, with the Maritime Administration, and with all the other interested persons, and we have an amendment, which is now on the table, intended to be proposed, which, if adopted, will make the bill probably come closer to meeting the objections of the Senator from Delaware than it did originally.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I decline to yield now. I will yield to the Senator in a moment.

Because the bill is technical and involves much technical language, I could have proposed to the original bill the amendments which have now been agreed upon by all interested parties, including the Treasury Department, but I thought it better, by reason of the technicalities, for the Senator from Maryland and myself to propose this amendment in the nature of a substitute. It is true it consists of 29 pages, but those 29 pages include probably 28 $\frac{3}{4}$  pages of the original bill. I thought a substitute would be much simpler. It will be easier to explain, and it will be much easier for the Senate to pass upon. That is the answer to that aspect of the measure.

I submitted to the Senator from Delaware a copy of the amendment, as soon as the mimeographed report was ready, on Monday night. We have gone to great length in causing to be prepared a long comparison of the original bill, with the recommendations of the Treasury, the recommendations of the Maritime Administration, and the substitute, so the Senate could have that information. There are not many major changes, at all. As a matter of fact, the substitute is much more moderate than the original bill, which was reported by the committee and placed on the calendar, where it has been for weeks. The Senator from Delaware may desire time to study the amendment, I may say I purposely talked to the majority leader about putting the bill over until Monday. The Senator from Delaware has had the amendment

in the nature of a substitute since last Monday. There is not much difference between it and the original bill, which the Senator from Delaware knows, forward and backward. He will have an entire week. If the Senator, on Monday, needs further time, that will be satisfactory to me, but I cannot understand why any Senator would attempt to block the consideration of the bill, simply because he personally wishes further time in which to study it, when, as I say, we have had numerous hearings, so many in fact, that, by reason of the printed copies of the hearings, I cannot even close my desk.

The substitute is a modification of the original bill. We have prepared all the charts. The Senator has copies of them. I should be glad to have Admiral Cochran, of the Maritime Administration, and any of his experts go to the office of the Senator from Delaware to discuss the matter, because of its technical character, and explain anything the Senator may think needs explanation. Perhaps the Senator then will still object, and that will be his prerogative. But this bill has been lying here for months, and simply because I, perhaps, and the Senator from Maryland, erred in proposing an amendment in the nature of a substitute, which I thought would be much simpler for Members of the Senate to understand, is no reason for recommitting the bill.

The 29 pages are the same 29 pages which were in the original bill, with certain amendments, which were carefully prepared, and which meet the objections which the Senator from Delaware had, and the objections which the Treasury had.

I think the Senate ought to have that explanation, in connection with any motion to recommit the bill. I was merely endeavoring to save the time of the Senate and to make the matter as simple as possible, but apparently it is very difficult in the Senate to do the simple thing. Apparently there are some who want to do things the hard way.

Mr. WILLIAMS. Mr. President, inasmuch as the Senator from Washington has said it is very important that the RECORD be put straight, I am going to put it straight. Hearings were held on this bill for a period of about 5 or 6 months, last year. The committee reported the bill, and it was placed on the calendar, last year. I voted against the bill, because, in my opinion, it would extend subsidies to the shipping industry far beyond what I felt we could afford. It was my privilege to feel that way about it. I said the bill could have been brought up for consideration any time last year, and I was ready to debate it. It remained on the calendar, and it died with the Eighty-first Congress.

Again, this year, the committee reported the same bill. I agreed that, while I still opposed the bill, there was no reason for holding hearings again, and that we would report Senate bill 241. It has been on the calendar for months, again this year; but the substitute which is on the desk, which is intended to be proposed, is not Senate

bill 241 upon which we held hearings. It is not the bill which has been on the calendar for months, but it would constitute a completely new bill, consisting of 29 pages of technical language, as the Senator from Washington puts it, a bill which has never been before the committee; and when the Senator speaks of all the conferences he has held, they are conferences which have been held by the Senator from Washington perhaps with the governmental agencies down town and the shipping industry, which, I understand, are for it; but the conferences have not been held with the Committee on Interstate and Foreign Commerce; and, as one member of that committee, and as a member of the subcommittee before which this is supposed to be considered, I most respectfully suggest that I have not delegated any authority to the Senator from Washington to write a substitute for the bill, which he thinks will take care of all the objections of the Senator from Delaware. I shall do my own examining and voting.

I repeat, this substitute proposal has not been available to the Senator from Delaware, or to any other Members of the Senate, or to the members even of the Committee on Interstate and Foreign Commerce, which committee should consider it, until it was submitted yesterday. It is the version of the Senator from Washington, and his alone, perhaps with the Senator from Maryland [Mr. O'CONNOR]. It may be true that the Senator has overcome all the objections I have had to the bill; I do not know. But I cannot study a 29-page bill in 24 hours. I am not going to subscribe to the bringing up of legislation in any such manner as this, and therefore I shall urge next week, or whenever the bill is considered, that the bill be recommitteed to the committee itself which should consider it. Let the committee write its own report. I do not know who wrote the report now on our desks. I do not know who wrote the substitute bill. I do not know how good or how bad it is, but the committee is supposed to consider it, and the Senate is entitled to their recommendations, and this is not a committee report.

Mr. MAGNUSON. Mr. President, the Senator from Delaware reiterates that this is a new bill. It is not a new bill. It is an amendment to the same bill. Perhaps the Senator from Washington and the Senator from Maryland erred in not merely proposing amendments to the bill which has been on the calendar for weeks, but we thought it would expedite matters and would make it clearer to have a clean bill. It is not a new bill. That is one reason for our agreeing to let it go over until Monday. It probably will not be considered Monday, if the appropriation bill is reported, and that would give the Senator from Delaware 10 days, probably, in which to examine the amendment in the nature of a substitute and discuss it with whomever he pleases; which, of course, is his prerogative.

The only thought of the Senator from Maryland and myself was that we would be able to make it clearer, because, as

the Senator from Delaware knows, it is a highly technical measure. The Senator, I am sure, after he reads the amendment in the nature of a substitute, over the week end—and he is very diligent, and I know he will spend quite a few hours on it—will find that the amendment in the nature of a substitute, which is intended to be proposed to a bill which has been on the calendar for some time, is much more to his liking than the original bill, which he knows so much about, and which was reported by the committee.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Delaware.

NOMINATION OF KENNETH G. HEISLER, OF WASHINGTON, TO BE A MEMBER OF THE HOME LOAN BANK

Mr. MCFARLAND. Mr. President, I ask unanimous consent that, as in executive session, the nomination of Kenneth G. Heisler, of Washington, to be a member of the Home Loan Bank Board for the remainder of the term expiring June 30, 1953, be confirmed, and the President be immediately notified.

Mr. WHERRY. Mr. President, I am wondering if the distinguished Senator will withdraw that request. I am quite positive it is all right, but some Senator has expressed an objection—

Mr. MCFARLAND. Some Senator spoke to me about it, and I thought it had already been cleared.

Mr. WHERRY. If the Senator will let the nomination go over until Monday, I shall appreciate it.

Mr. MCFARLAND. I shall be glad to do so.

ACTIVITY OF THE RFC IN CONNECTION WITH FLOOD DISASTER

Mr. SCHOEPEL. Mr. President, yesterday Mr. Symington, the Administrator of the Reconstruction Finance Corporation, appeared before the Banking and Currency Committee, and, in his report to the committee, he made a statement with reference to the RFC's activities in the flood areas in Kansas and Oklahoma. With reference to some of the considerations which the RFC was giving to the flood-disaster situations, I ask unanimous consent that a portion of the Administrator's remarks follow my remarks in the RECORD at this point.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

In addition to the business loan program, the RFC also makes loans to persons or enterprises which have suffered from a major disaster. To date we have made over 26,000 loans totaling \$63,000,000 in this program, of which 997 loans totaling \$4,000,000 are outstanding. By law these loans can be made without collateral. They are, in effect, character loans, and it is interesting to note that virtually all of them are repaid in full. The percentage of loss is very low—about 10 to 12 percent.

The RFC is playing an important role in the present flood disaster in the Midwest.

To facilitate and speed up processing of applications for disaster loans for flood sufferers, the following steps have been taken:

1. The Kansas and Missouri flood areas and Ottawa County, Okla., have been declared

disaster areas as required by the RFC Act. These three areas are under the jurisdiction of the RFC Loan Agencies in Kansas City, St. Louis, and Oklahoma City, respectively.

2. The Kansas City Loan Agency has established seven emergency branch offices in the Kansas area; the St. Louis Loan Agency has set up three emergency branch offices in the Missouri area; and the Oklahoma City Agency has installed an emergency branch office at Miami, Okla. This makes a total of 14 RFC offices which are handling disaster loans in the flood areas.

3. The 11 emergency branch offices are empowered to make loans on their own authority up to and including \$5,000.

4. The managers of the RFC loan agencies in Kansas City, St. Louis, and Oklahoma City continue to have the right to make disaster loans on their own authority up to and including \$20,000. This authority has now been broadened to include loans from \$20,000 to \$50,000, providing they have the approval of the RFC Advisory Committee in the area.

5. In the interest of speeding up aid to flood sufferers, the RFC has obtained the cooperation of local banks to receive and process applications for disaster loans up to and including \$5,000. While the RFC must approve and make these loans, this system of bank cooperation is making it possible for flood sufferers to receive loan commitments as early as possible so they in turn can proceed immediately with rehabilitation efforts.

At the present time the RFC has a revolving fund of \$40,000,000 for disaster loan purposes and about \$4,000,000 of this was previously committed, leaving about \$35,000,000 for the present flood emergency.

Up to today we have received about 500 applications for disaster loans in the flood areas. These have ranged from a \$75 loan to replace a kitchen stove to a \$500,000 loan to restore a grain elevator. The total of these disaster loans so far has been about \$10,000,000 and they are coming in at an increasing rate.

To date in Kansas we have made 61 disaster loans totaling \$564,000; in Oklahoma 86 loans totaling \$116,500; and in Missouri 3 loans totaling \$3,750.

Also in the disaster area the RFC helps in another way. We were informed by the Department of Agriculture that there were between three and four million bushels of water-soaked grain in flood-damaged elevators and in railroad cars. This amount of grain will make between seven and one-half and ten million gallons of alcohol. The RFC uses alcohol in the manufacture of synthetic rubber. We indicated to alcohol distillers that we would consider the purchase of alcohol made from this flood-damaged grain at prices not over 70 cents per gallon delivered.

At a 70-cent price for alcohol, the distillers should be able to pay in the neighborhood of \$1 per bushel for the water-soaked grain. This compares with distress sales which were being made to feeders at prices as low as 15 cents per bushel.

In this way the RFC is obtaining alcohol at about 15 cents a gallon under the market; at the same time giving the Kansas and Missouri grain people a fair price for water-soaked grain.

#### RECESS TO MONDAY

Mr. McFARLAND. I move that the Senate stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock and 50 minutes p. m.) the Senate took a recess until Monday, August 20, 1951, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 16, 1951

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Eternal God, our Father, as we go forth daily to meet our tasks and responsibilities in this time of crisis and confusion, may we heed Thy divine exhortation, "Wait on the Lord and be of good courage."

We humbly acknowledge that we are frequently tempted to lose heart and hope. May we have a faith that will give us a sense of serenity and security when the winds are contrary and the going is so very difficult.

Help us to feel that every duty is worthy of our best endeavor and that the noblest contribution which we can make to life is to have some part in establishing Thy kingdom of righteousness and peace upon this earth.

May we yield ourselves to the leading of Thy spirit, confident that where Thou dost guide Thou wilt also provide.

To Thy name, through Christ, our Saviour, we shall ascribe all the praise. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Landers, its enrolling clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4386. An act making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1952, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCKELLAR, Mr. HAYDEN, Mr. RUSSELL, Mr. ELLENDER, Mr. HOLLAND, Mr. YOUNG, Mr. CORDON, Mr. KNOWLAND, and Mr. THYE to be the conferees on the part of the Senate.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government" for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 52-4.

#### LABOR-FEDERAL SECURITY APPROPRIATION BILL, 1952

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the Labor-Federal Security appropriation bill, H. R. 3709.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

#### RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following letter, which was read by the Clerk:

HOUSE OF REPRESENTATIVES,  
Washington, D. C., August 15, 1951.  
Hon. SAM RAYBURN,  
Speaker, House of Representatives,  
Washington, D. C.

DEAR MR. SPEAKER: I hereby submit my resignation as a member of the Committee on Veterans' Affairs, effective immediately.

Sincerely yours,

VERA BUCHANAN,  
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

#### ELECTION TO COMMITTEE

Mr. DOUGHTON. Mr. Speaker, I offer a privileged resolution (H. Res. 392).

The Clerk read as follows:

House Resolution 392  
*Resolved*, That VERA BUCHANAN, of Pennsylvania, be, and she is hereby, elected a member of the standing committee of the House of Representatives on Merchant Marine and Fisheries.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### MAINTENANCE OF CANAL AND RAILROAD BRIDGES FROM CAPE MAY HARBOR TO DELAWARE BAY

Mr. HAND. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4055) to authorize for an additional 2-year period the use of rivers and harbors appropriations for maintenance of the canal from Cape May Harbor to Delaware Bay and the railroad and bridges over such canal.

The clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. RANKIN. Mr. Speaker, reserving the right to object, who is on that committee on this side of the aisle?

Mr. HAND. Mr. Speaker, I may say to the distinguished gentleman from Mississippi that this bill has been approved and cleared by both the majority and minority leadership of the House and the appropriate committee.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There being no objection, the clerk read the bill, as follows:

*Be it enacted, etc.*, That the paragraph relating to the New Jersey Intracoastal Waterway in the first section of the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," approved July 24, 1946 (Public Law 525, 79th Cong.), is amended by striking out "5 years" and inserting in lieu thereof "7 years."

Amend the title so as to read: "A bill to authorize for an additional 1-year period the use of rivers and harbors appropriations for maintenance of the canal from Cape May Harbor to Delaware Bay and the railroad and highway bridges over such canal."

With the following committee amendment:

Page 1, line 9, strike out "seven" and insert "six."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### SMALL BUSINESS COMMITTEE

Mr. BURTON. Mr. Speaker, Subcommittee No. 3 of the Small Business Committee has under investigation the production and distribution of steel. I ask unanimous consent that that subcommittee may be permitted to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

#### MUTUAL SECURITY ACT OF 1951

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 388 and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed one day, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered, as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. McCORMACK. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCORMACK: On page 1, line 11, strike out "one day" and insert "four hours."

The amendment was agreed to.

#### CALL OF THE HOUSE

Mr. ARENDS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 162]

Albert	Barrett	Brehm
Allen, Ill.	Beall	Buckley
Allen, La.	Bennett, Mich.	Buffett
Andresen	Boggs, La.	Busbey
August H.	Boykin	Chatham
Armstrong	Breen	Chudoff

Coudert	Hays, Ohio	Rivers
Davis, Tenn.	Hébert	Sabath
Dawson	Hedrick	Sadlak
DeGraffenried	Hess	Saylor
Dingell	Hinshaw	Scott,
Durham	Hollifield	Hugh D. Jr.
Eberharter	Hunter	Sheppard
Ellsworth	Jarman	Smith, Kans.
Elston	Jenlson	Stockman
Engle	Kearns	Taber
Fallon	McDonough	Vinson
Feighan	McGregor	Welch
Fisher	Mason	Werdel
Gamble	Miller, N. Y.	Wheeler
Garmatz	Morrison	Whitaker
Gordon	Morton	Wilson, Tex.
Gore	Murray, Wis.	Winstead
Gwinn	O'Konski	Wood, Ga.
Hall,	Powell	Yorty
Edwin Arthur Preston		

The SPEAKER. On this roll call 358 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### SUBCOMMITTEE OF THE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. BONNER. Mr. Speaker, I ask unanimous consent that the Subcommittee on Intergovernment Relations of the Committee on Expenditures in the Executive Departments may have permission to sit during the session of the House today.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

#### MUTUAL SECURITY ACT OF 1951

Mr. COX. Mr. Speaker, House Resolution 388 makes in order the consideration of the Mutual Security Act of 1951 recently reported by the Committee on Foreign Affairs. The rule is an open one, waiving all points of order, and, therefore, Members will have the opportunity to offer such amendments as they may see fit.

I have the feeling, Mr. Speaker, that most of the Members have to an extent made up their minds as to what they are going to do about this bill and I think the sooner we can get to consideration of the measure the better satisfied the membership will be. For the moment, therefore, I shall not use any more time.

Mr. Speaker, at this time I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Speaker, I have just received a cable from Munich announcing that 1,200,000 balloon messages have been sent to the 12,000,000 prisoners of Czechoslovakia—the people of Czechoslovakia. These messages of hope and courage, written in language which these people know and love, forge a continuing bond of friendship between Americans and Czechoslovakia.

The voice of William Oatis may be temporarily silenced—speaking from Czechoslovakia to the free world. But the voices of the free world—speaking to Czechoslovakia—are raised, over a million strong.

My one regret about this well-conceived and splendidly executed project is that it was not conceived and executed

through an official agency of the United States Government.

Mr. COX. Mr. Speaker, I yield such time as he may desire to the gentleman from Washington [Mr. MITCHELL].

Mr. MITCHELL. Mr. Speaker, of course, I favor the rule and the legislation it makes in order. To me this legislation is of special import to the wage earner in friendly European nations.

The Europe of 1948—not so very long ago—was writhing in the throes of poverty and destruction. The Continent's economic structure had been shattered for the second time in a generation. Communism, thriving as always upon such conditions, was riding rampant. Indeed, it was threatening momentarily to trample all of Europe under foot.

The chief victim in this economic misery was the European worker. It was no accident that the chief object of Communist political activity was the European working class—particularly in the organized labor movement.

Communist hands were reaching out for a plum ripe to be plucked. Moreover, the safety of the entire free world was menaced if Europe could not be, once again, a strong and healthy member of democratic society.

But 1948 also marked the year that the Marshall plan came to the Continent with a program aimed at putting the European economy back on its feet.

Since that time Communist expansion throughout Europe has been halted and communism is now on the defensive.

The Marshall plan has always recognized that in order to make Europe strong enough to survive, European labor must have decent standards of living and a way of life that is worth defending. While the standards are not nearly as high as they should be, the economic plight of the workers of Europe would be drastically worse today but for the Marshall plan.

The success of the recovery program depends upon the European worker because, first, four-fifths of the goods that Europe needs to export in order to balance its dollar accounts must be the products of industrial labor. Secondly, industrial labor's cooperation is essential for the increased production vital to the Western World's defense effort. Finally, this segment of Europe's population is a critical factor in the ideological war now being waged against imperialistic communism.

Today, despite every means of propaganda that the Communist can muster, the majority of European workers are solidly behind the Marshall plan. The free trade-union organizations are in fact the most powerful single force in Europe working for economic recovery and the preservation of democracy against totalitarian encroachment.

Since the advent of the Marshall plan, employment has risen in 7 of 10 major countries receiving American economic assistance. These countries are Denmark, France, Germany, Holland, Norway, Sweden, and the United Kingdom. Using 1948 as a base, the rise in employment totals has ranged from a 3-percent increase in Sweden to 20 percent in Germany. The increase was 6 percent in

France, 8 percent in the United Kingdom, and 7 percent in Holland. Both Norway and Denmark have reported employment increases of 11 percent. In shattered Austria and Italy, the line has been held, in itself a fine achievement. Only in Belgium has there been a drop in employment figures.

Taking Europe as a whole, there are approximately 4,000,000 more people working since 1948. This represents a percentage gain of about 3.2 percent since the recovery program was initiated.

Immediately following the Second World War, the real earnings of most European workers fell to incredibly low depths. With the coming of Marshall aid, this trend was reversed and the real earnings of the workers began to make the long climb back. Basic conditions in the various countries, of course, differed widely.

Since the inception of the Marshall plan in 1948 to the present time, real earnings in Denmark have gone up 6.7 percent. Belgium, Holland, and Sweden realized about the same increase, while in Norway workers' real earnings rose 3.8 percent. Austrian workers have experienced a 13.8-percent rise from the 1948 low. In France, real earnings have begun to mount again—3.7 percent for the married worker and 3.9 percent for the single worker. In Italy, the over-all increase has been 6.4 percent. Western Germany has seen the most spectacular rise—41.4 percent. The United Kingdom's gain of 38 percent, by the time Marshall aid began to arrive, has been held stable despite the heavy inroads of rearmament on the country's strained economy. Only in Holland, due to local conditions, has there been a drop in the real-wage earnings.

Despite this tremendous recovery, the job is not yet finished. The havoc wreaked by World War II was such that even with this come-back record, worker living standards, especially in Austria, France, Italy, and Western Germany are still below those existing in the pre-war year of 1938.

This is because, in a great many areas of Europe, conditions could not have been worse when the Marshall plan began. The trend of real earning power has been turned upward since the arrival of American economic assistance.

But still, in a country like France, the worker currently has only about one-third the buying power in terms of food that the American worker does. And in Italy, the worker has but 25 percent of the food-buying power of his United States equivalent.

However, today, the specter of hunger has been eliminated and food rationing throughout most of the continent is now a thing of the past. Europe's workers no longer have to face interminable winters without any heat and no longer is there the severe, almost desperate, rationing of electricity, gas, and other utilities. Moreover, a large slice of Marshall plan counterpart funds—totaling \$442,000,000—have gone for low-rent housing projects so that the European worker might be better sheltered.

This reconstruction has not succeeded in replacing buildings destroyed during the war and has done little to meet the

demands for housing imposed on France, Italy, Greece, and Western Germany by increasing populations.

However, the results stemming from Marshall plan benefits to Europe's workers have been strongly evident. Just prior to the advent of the recovery program, communism's grip over the European labor movement was at its height. Now, 3 years after American economic assistance began, this dominance has fallen to its lowest postwar ebb.

It was, for instance, the workers in Europe who first gave the earliest and strongest support to the United Nations action against Communist aggression in Korea. While other segments of European society debated whether or not to follow the United States lead, the workers, through their unions, rushed to the United States side. Using every informational means at their disposal, the UN action was explained as vital for the defense of democracy. Long considered pacifist in outlook, Europe's workers were no longer willing to settle for peace at any price.

And in order that Europe will be strong enough to survive, European workers are seeing to it that the vital shipments of Atlantic Pact arms aid are arriving safely. This is happening even in France, where so much yet remains to be done. When the Marshall plan first began, Marseilles was one of the great ports controlled lock, stock, and barrel by the Communists. The Reds controlled 54 of the 55 seats on the port dockers committee. But since then, the Communists have lost all but 10 of these seats and arms for the free world's defense are being unloaded without incident. The same thing applies to other great continental ports such as Cherbourg and Naples.

Another example of how Europe's workers now feel occurred in Austria less than a year ago. By means of a general strike, the Communists attempted a crude coup d'etat. But Austria's free workers—the overwhelming majority of the country's labor force—refused to go along. And the Communist power bid resulted in a miserable failure.

There are some of a growing number of instances which show that the Communists are failing in their attempts to use Europe's workers for their own ends.

They are instances where worker benefits from the Marshall plan have brought about a renewed faith in democracy, a new optimism for tomorrow.

It must be stated, however, that there are two countries in Europe where communism though on the defensive still remains a power to be reckoned with. In France and in Italy, workers must have decent standards of living and a fair share of the fruits of recovery before the Red influence is wiped out. Management in these countries has yet to realize that the fruits of greater productivity—a productivity which has already risen above prewar levels—must be shared by the workers.

Nevertheless, the primary task of the Marshall plan was to get the basic industries on a functioning, producing plane. This job, by and large, has been accomplished.

The task ahead is one of increasing productivity, and insuring that the workers do benefit in the form of higher wages and lower prices.

The Marshall plan's new productivity-improvement drive is aimed specifically at these goals. European industry is now producing. It can and must produce more efficiently.

Once properly reorganized, retooled, and reoriented industrially, Europe will be able to increase its economic pie by \$100,000,000,000 a year according to an estimate made recently by ECA Administrator William C. Foster. This will mean that the living standards of our European friends, especially in current trouble spots, would continue to rise at the same time these nations are rearming for western defense. It also will mean a final thrust at the already weakened Communist influence in Europe.

This final step must be completed in rebuilding Europe and in seeing that the continent's working force does have the living standards and way of life which are indeed worth while defending.

Mr. BROWN of Ohio. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Speaker, I would like to preface my remarks by stating I believe that by carefully reducing nearly every item of military and economic aid provided in this bill, we could reduce the total amount by \$2,000,000,000 or more and in no way slow down or weaken our assistance to the nations covered in this bill.

I make this statement because I feel certain that they will not be able to spend more than the \$5,000,000,000 the bill will carry if it is reduced by \$2,000,000,000. I think it ought to be reduced because excessive appropriations contribute to excessive and wasteful spending. I think it ought to be reduced because it will lessen the tax load on our people by that amount.

Mr. Speaker, last week we voted to appropriate over \$61,000,000,000 for national defense. Many believe that amount should have been cut \$5,000,000,000. In the bill before us we are asked to take from our American taxpayers another \$7,800,000,000 for military and economic aid to foreign countries, making a total of about \$69,000,000,000.

Mr. Speaker, this will increase the tax load \$460 on every man, woman and child in the United States for defense alone.

Our present national debt of \$256,000,000,000 amounts to a mortgage of \$1,700 on every man, woman, and child in our Nation. This \$460 added to the \$1,700 individual mortgage, increases the mortgage or debt on each of our over 150,000,000 people to \$2,160. On a family of 4 the mortgage or debt amounts to \$8,640.

I ask you in all seriousness, my colleagues, how long can we continue such spending without wrecking our country financially and impoverishing our people?

And, in addition, Chairman VINSON of the Armed Services Committee will have a bill before us soon to increase our Air Force to 163 wings that will increase the above amount by possibly more than

\$10,000,000,000 a year. Then we will have to add many billion dollars a year to maintain such a force.

We cannot carry the colossal cost of such a military budget without crushing the taxpayer, and destroying the economic strength of our country. Unless we stop this hysterical spending, our annual budget will soon exceed \$100,000,000,000 a year. You cannot possibly get that much money from the American people. It is time to supplant hysterical and wishful thinking with sound economic analysis, and arrive at realistic conclusions.

Since the beginning of World War I, to and including the appropriations requested of this Congress, we will have spent for defense, the prosecution of these wars, and in aid to our veterans caused by these wars, \$647,000,000,000. We will have to continue spending many billion dollars a year for defense, probably for the next 10 years. I ask you, how long can we continue at this rate of spending?

During and since the war, we have followed a policy of dollar diplomacy, in an effort to bribe and buy the friendship of foreign countries, to the point where, in many instances, we have almost become subject to financial blackmail by other nations. This policy has made us few if any real friends.

Some of the loans and gifts were necessary and, in my judgment, have been highly beneficial. We have helped to put Germany and all Western European countries on their economic feet to the point where their production is estimated to be running 44 percent higher than it was before they entered World War II.

Our financial aid to Japan under the wise leadership of General MacArthur has resulted in establishing a new government of freedom, which will align itself with the western nations of the world very shortly when the peace treaty is signed.

I think I voice the sentiment of many Members of the House when I say that we should hesitate to approve the \$2,000,000,000 of economic aid provided in this bill because we have rehabilitated Western Europe to where it is no longer necessary.

However, many Members feel that some economic aid should be given to a few nations in Western Europe, the Balkan countries, and some nations in the Far East.

I think the amount provided in this bill for both military and economic aid is much more than is necessary. For that reason, I suggest we reduce the amount of military and economic aid carried in this bill by approximately \$2,000,000,000.

If this reduction is made, the bill will still provide \$5,800,000,000, all the aid necessary for the coming year, more money than they will be able to spend, and it will lessen the load on our people now heavily burdened with taxes.

I submit this is a very reasonable reduction. I think we should, in fact, reduce the amount by \$3,000,000,000. I suggest this smaller amount because I fear the Members will not approve a larger reduction.

Mr. Speaker, I make this suggestion in the interest of our heavily burdened taxpayers and all the citizens of our Nation.

Is it not time we try to offer some protection for our own people? They sent you and me here to protect their interests first. They did not send us here to bleed them to death through taxation for the support of dozens of nations throughout the world. They did not elect us their representatives, to tax them and their Nation into financial bankruptcy, and plunge them into chaos, poverty, and ruin.

The thousands of people we represent in each of our districts are worried with present conditions. They are more fearful of their future and the future of their children than ever before in our history. They know this Congress is permitting too many billions of dollars to be wasted in reckless spending, and given away to countries all over the world. They know this outpouring of their money is largely responsible for the high cost of living and the inflation now upon us; that this reckless spending has driven down the purchasing power of their dollar to about 45 cents; driven down the purchasing power of their Government bonds and savings of every kind; and has driven up, higher and higher, their taxes and national debt.

You have a chance to calm their fears, and to help restore their confidence in their Government by greatly reducing the amount called for in this bill, and by drastically reducing the amounts called for in the several appropriation bills as they come before us in the future.

Mr. Speaker, it is time to call a halt, and stop the unnecessary giving away and reckless spending of billions of dollars of their hard-earned savings, in every session of the Congress.

If you will make such a reduction and continue to reduce appropriation bills as they come before us, we can close this session of Congress by reducing the budget by over \$7,000,000,000. By such action the Congress will regain the confidence of the people. We will stop the decline of the purchasing power of the dollar. We will reduce the pressure of inflation. We will alleviate the fear of the people we represent, we will restore their optimism of hope, increase our own self-respect by doing our full duty, and greatly strengthen the financial stability of our Government.

My friends, are any of us so juvenile and naive in our thinking, that we fail to realize our first line of defense is the financial solvency of our Government. You say, this is a defense measure. Properly handled, it can and will contribute to our national defense.

But, if we wreck our Government at home in spending more billions than necessary to build up a dozen other nations of the world, we will wreck and destroy our defense, we will fail the people we are sworn to protect and represent, and we fail the nations of the world we overzealously try to help.

If you spend the United States into bankruptcy, you make the dream of Lenin, the founder of Russian communism, come true. You make it possible through poverty and despair for commu-

nism later to take over our country and the world and black out freedom, liberty, and the happiness of all civilization.

We can and must keep the United States so strong that it will remain the central dynamo of force and power reflecting our influence for peace throughout the world, and our power to achieve victory if war must come. If we will keep America strong so that she can carry the torch of freedom high, and continue to aid other nations to the limit of our ability, we will in time destroy and defeat the godless ideology of communism.

Our greatest danger to ourselves and our allies lies in overextending ourselves. Trying to carry too big a load all around the world. We shot and shipped away billions of our national resources in World War II. We gave away in lend-lease and in bank loans over \$70,000,000,000. We have given away to other nations since the close of that war about \$40,000,000,000.

Now we propose to give away in this bill over \$8,000,000,000 more.

The Ways and Means Committee has just spent 6 months searching every nook and corner of our Government in raising tax schedules that will only bring in \$7,200,000,000. In this bill now before us, you propose to give it all away to other nations. Do you think it is fair to our people to grind them down with the heaviest taxes ever known and hand their tax money over to other nations?

Chairman DOUGHTON, one of the greatest Members ever to serve in this House, a few weeks ago when presenting the \$7,200,000,000 tax bill told us this is the last big direct tax bill the economy of our Nation would stand. That we were at the end of the tax road. He said we have scraped the bottom of the tax barrel. My friends we must heed this warning.

Here you have the Ways and Means Tax Committee laying the heaviest taxes ever known on the American taxpayers, and you are promising to give it away in this legislation to other countries before we can collect it from the sweat and toil of our people.

Mr. Speaker, it is time for the Congress to assert its full power and influence in the formulation and direction of our domestic and foreign policy.

What we most need today in our foreign policy is to replace the propaganda of fear, appeasement and crises with a policy of calm, firm, honest common sense leadership in solving our problems of government. If we continue the policy of hysteria and fear of Russia, and continue to dissipate our material and financial strength throughout the world, we will not only weaken ourselves at home, but continue to play right into the hands of Russian communism whose founder, Lenin, predicted over 30 years ago that Russia would cause the United States to spend itself into bankruptcy.

Many of the ablest thinkers, and I agree with them, believe that Russia is playing such a game at the present time. They believe that Russia knows she dare not start a war with the United States, because if she does, she will end up in as great a defeat as was brought upon Hit-

ler. It is time to swing the big stick—time to stop parading our weakness before the world. Russia knows we have the power to defeat her and bomb her industries to destruction; that she does not dare risk a war with us.

If we adopt a policy of making certain that we preserve our own economic and financial strength, it will strike terror to the bluffers in the Kremlin, and start the nations of the world toward peace.

Let us start on that road today by intelligently reducing this bill. It is up to the Congress of the United States to keep our own Nation strong and thereby make our greatest contribution to other free nations in averting world war III and following the road to peace.

Mr. COX. Mr. Speaker, I yield 14 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I do not know what the Members of the House generally feel about this bill. I am deeply disturbed about it so far as I, personally, am concerned. I would rather suspect that the House is going to be divided on this bill in about four classes. There are those who are for the program—and they are convinced. There are those who are against the program—and they are convinced. They will stand pat and vote for their respective sentiments. Then, I think there are those who are in doubt and want to be convinced against the bill. Then, there is the class to which I belong: Those who are in doubt on some features of the bill and want to be convinced for the bill.

I am one of those who has always supported the Marshall plan—the ECA. I have always supported the North Atlantic Pact. I believe in arms aid to Europe. I have some questions in my mind which I hope the debate will clarify as to certain features of this bill. To give you an example of what I have in mind, as I understand the bill, we propose to do two things. One is to give military assistance, that is arms, and teach those people whom we want to aid how to use those arms—in other words, military assistance. Then we are going to give them economic assistance, which is sustenance, and those things which will help to keep them healthy and so forth, and the things which will aid their economy.

I am thoroughly convinced that the program is sound as to Europe. I am thoroughly convinced that Europe, so to speak, is our first line of defense. We have to operate there.

I am in doubt as to some of the other countries. I will mention, as an example, the Asiatic countries. Consider the case of India. I believe there is a provision for \$1,350,000,000 for arms to Asiatic countries. Then there are some hundreds of millions of dollars for economic aid to India and other countries. Consider India. We have had some experience with India. This year we just gave them \$190,000,000 worth of wheat. We called it a loan, but everybody figured it was a gift. We have already done that this year. We are supposed to make friends out of India. Well, I have been watching the public utterances of Nehru. I do not think we have made any friendship there. I am worried about

what Nehru is going to do with the things we give him.

Now to come down to what I am worried about—if we give arms to India and we teach them how to shoot. I would like to be convinced as to whom they will shoot at after they have learned how to shoot. Are they going to be shooting at us, or at our enemies? I think that doubt which is in my mind applies to the Asiatic countries. Consider Iran. There is aid here for Iran. Everybody knows that Iran is in a ferment right this minute. Nobody here can predict whether they are going to be shooting at us or at the Russians. I am apprehensive that we may be putting in the hands of these countries a lot of tanks, guns, and other things that may be used against us in the future.

I want my mind to be relieved on that subject. I hope this debate is going to do it. I understand that we have in this bill some eighty million dollars scattered all over the earth for point 4. Point 4 passed the House, and I suppose the House is for it. I was opposed to it and I am still opposed to it. I do not believe in a world-wide WPA and that is exactly what it is, but it is in this bill. I do not think it ought to be in this bill. I never could understand why we ought to teach everybody in the world what our particular asset is; namely, the know-how to do things. We are going to teach all of our friends and our potential enemies just as much about the know-how to produce arms and ammunitions and foodstuffs as we know. Then, what is going to happen after we teach them? That is what worries me.

We have in here an item of aid to Israel that I do not think ought to be in this bill. But it is in there, and I have no special objection to it. I am just expressing some doubts that are floating around in my mind. I have the deepest affection for, and utmost confidence in my good friend, the chairman of the Foreign Affairs Committee [Mr. RICHARDS]. I am hoping that he is going to resolve the doubts I have, and I am going to vote for the bill, whatever comes out of it.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Indiana.

Mr. HALLECK. If I understand the gentleman correctly, he would like to be convinced that insofar as military aid is concerned, if we do undertake to give arms to other nations we ought to be reasonably sure that those nations are our friends and will be on our side in the event of difficulty. If that is what I understand the gentleman to mean, may I say I agree with him wholeheartedly and I join with him in expressing the hope that we can have assurances in that regard.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from New York.

Mr. CELLER. I wish to state that during the last war India had over a million men under arms on the allied side, on our side.

Mr. SMITH of Virginia. That is what I am afraid of. You may have a million men under arms, but from present indi-

cations they will be on the other side, and I do not want to furnish them any guns if they are going to be on the other side. I want the gentleman, or somebody else, to give me some assurance that that is not going to happen.

Mr. RIBICOFF. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. RIBICOFF. I think the query raised by the gentleman from Virginia and the gentleman from Indiana is proper. I commend to the gentleman from Virginia and the gentleman from Indiana, and all the membership of this House, a careful reading of section 508 of the bill. On page 24, section 508 lays down the conditions. We think we have nailed this down pretty well, to make sure that anyone who receives aid of any sort from the United States of America will be our friend and will be with us in the development of peace and international security, and also the security of the United States. That section is well worth study.

Mr. SMITH of Virginia. That is a very interesting contribution. I think I have read that, but just how are we going to be guaranteed what Nehru will do, for instance? I simply use him as an example. How are we to know that Nehru is going to do what he says he will do? He has never said that he is going to be on our side. Every indication that I have ever heard of is that he is on the other side.

Mr. RIBICOFF. I will say to the gentleman that in the field of international relationship there are no certainties, but I would say that certainly this program is not a program where all the arms and all the aid will be put on one ship and delivered in 1 day to any one recipient. It is a continuing program, and I would hope that those responsible—

Mr. SMITH of Virginia. I cannot yield further. I yield to the gentleman from Indiana.

Mr. HALLECK. Appropos of the suggestion of the gentleman from New York [Mr. CELLER], to the effect that in World War II India had a million men under arms, it is worthy of note also that in that war Russia had millions of men under arms, but as of today no one will deny that Russia is our enemy.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. JUDD. The answer, I think, to the gentleman's question is in the language to which the gentleman from Connecticut referred:

No military, economic, or technical assistance . . . shall be supplied to any nation in order to further military effort—

Unless it agrees to certain things and—

Such agreements shall include appropriate provisions for such country to—

(1) Fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party.

The Government of India has no such agreement or treaty with us and in fact has announced that it will not enter into any military agreement with any country. So the President could not possibly

give military assistance to India under this act.

Mr. SMITH of Virginia. The gentleman will understand that I am not antagonistic; I am just seeking information. Let me ask the gentleman a question, and I want him to answer: If that be true and we are going to adhere to that language and Nehru has said he will never enter into any such agreement why, then, do we include him for military aid?

Mr. JUDD. He could not get military aid under this bill; not a cent for military aid could be given to Mr. Nehru under that language of the bill. There is some economic and technical assistance, no military assistance.

Mr. SMITH of Virginia. I wish the gentleman would look at page 26 of the report where it gives the list of Asiatic countries that are included in this aid, if I have read it correctly. One of those countries, as I understand, is India, another is Pakistan.

Mr. JUDD. They are eligible for economic but not for military aid. They have no military agreement with us; they cannot under this act receive military assistance from us; they can get economic assistance.

Mr. SMITH of Virginia. I will check that further, and if it is not true I am sure the gentleman will cooperate with me in making that language clear.

I want to ask another question while I am up—I am propounding some questions here because I want to be convinced—why should we be giving India more economic aid when we have just given them \$190,000,000 worth of wheat and she is about to go to war with Pakistan, her neighbor? I want to know something about that.

I yield to the gentleman from North Carolina [Mr. BARDEN], if I have any more time.

Mr. BARDEN. I wonder if the gentleman could explain the difference between economic aid and military aid so far as the ultimate effect on the fighting strength of the nation is concerned? In other words, it is my idea that when you give economic aid you make that nation stronger so that it can be strong militarily. What is the distinction between giving a nation military aid and economic aid?

Mr. SMITH of Virginia. I am not explaining; I am asking for explanations, so I am perhaps not qualified to answer the gentleman's question.

Mr. BARDEN. Possibly I may be able to ricochet the question off of the gentleman to someone else who can answer it.

Mr. SMITH of Virginia. Let me ask a question. As I understand it, although it is not very clear from the language, giving them more food certainly makes them more willing and able to fight. The distinction as I see it is between helping to arm a country and feeding them.

Mr. SPRINGER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. SPRINGER. May I say in connection with that language I have received information within the last 3 days which I think is fairly reliable, and I

think it is known to the other Members of the House that actually what the gentleman has said is true. The wheat which we gave to India, that I voted for, is now being used to mobilize India's armies. You saw none of this stand which Nehru is making against Pakistan until this wheat had been agreed to be delivered to India; and I understand that is what mobilized their army now against Pakistan. I just make that observation not that I think it is any answer to the question of the gentleman from North Carolina, that there is no distinction between economic aid and military aid in a great many instances, particularly here in the case of India.

Mr. SMITH of Virginia. I thank the gentleman and yield back the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 15 minutes.

Mr. Speaker, at the very beginning may I compliment the gentleman from Virginia for his approach to this entire problem now before us. I hope I may be able to discuss this proposed legislation with the House for a few minutes in the same fair and factual manner as did the gentleman from Virginia [Mr. SMITH]. But before discussing this measure in detail, it might be well to make it clear that while the rule provided in the resolution as printed, and which is now before us, makes the mutual aid and assistance bill in order for a full day of general debate, an amendment was adopted at the very beginning of the consideration of the resolution to restrict general debate on the bill to 4 hours, with the understanding, I believe, between the leadership and the Committee on Foreign Affairs that there will be no attempt to shut off debate under the 5-minute rule until we have had a fair discussion and all Members have had an opportunity to express themselves.

This bill, H. R. 5113, which is titled "A bill to maintain the security, promote the foreign policy, and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security," authorizes the expenditure of \$7,848,750,000 in the fiscal year which ends June 30 next.

Of this amount \$6,363,000,000 would go to European countries, with \$1,335,000,000 being for economic aid and \$5,028,000,000 for military assistance. The sum of \$590,000,000 would go to the countries of the Near East and Africa, divided \$415,000,000 for military assistance and \$175,000,000 for economic aid. The sum of \$778,750,000 would go to Asiatic-Pacific countries, to be divided three ways, \$530,000,000 for military assistance, \$237,500,000 for economic aid, including Korea, and then \$11,250,000 in a separate item as assistance to Korea.

Title IV of the bill carries \$62,000,000 as aid to be given to the American republics, which refers, of course, to the republics to the south of us. It includes \$40,000,000 for military assistance and \$22,000,000 for economic assistance.

Title VI of the bill carries another item of \$55,000,000. That is for strategic materials and I think also some of it goes perhaps to point 4.

The bill, as it was introduced in the House called for a total appropriation of \$8,500,000,000, and to the credit of the Foreign Affairs Committee of the House, let me say the committee reduced the total by some \$651,250,000. But the amount that is left in the authorization contained in this bill, I want to emphasize, is still \$7,848,750,000.

The authorizations in this bill as it comes here are, of course, to implement some of the legislation and some of the policies and programs which have been previously approved by the majority in the American Congress, such as the North Atlantic Defense Pact treaty or agreement, and the so-called Marshall or ECA program. The ECA program, by the way, is scheduled to expire completely next June 30 at midnight. I understand that under the original plans there would have been about \$650,000,000 still to go for economic assistance under ECA or under the Marshall plan had it not been for new and recent military activities in Europe and elsewhere in the world.

However, I wish to emphasize this, if I may, and I do not want any of you to forget it, that this measure is just the first step, this \$7,848,750,000 authorization, in what has been announced is to be a 3-year program which will call for the furnishing of approximately \$25,000,000,000 in military, and perhaps also in some economic, assistance and to foreign nations in the next 36 months ahead, according to General Marshall and to others who have so testified before congressional committees.

When this bill came before the Committee on Rules I was finally forced to say, "I will not participate in reporting a bill regarding which we cannot get full information." Of course, there is considerable information contained in this report, but there is even a great deal more which is not in this report. As a member of the Committee on Rules I was told that many of the expenditures authorized by this bill were secret; that "we cannot tell the Congress; we cannot tell the Committee on Rules; we cannot tell you, Mr. BROWN," or any of the others sitting here as Representatives of the American people, elected by them to act and to speak for them, just how much the United States is going to give to any one particular country. That is a secret, we were told. Finally, to the credit of the chairman of the Committee on Foreign Affairs, we were told that if any of us wanted to have this information furnished us in secret, to be imparted to us on our word of honor as Members of Congress, I presume to keep it inviolate within our own breasts, not to tell anyone we represent where their money will be going, the committee would give us that information privately.

As I pointed out in the Committee on Rules, there is little or no secrecy as to the taxes the American people are being called upon to pay in order to meet the expenses of these foreign-aid programs. There is little or no secrecy as to the activities of the draft boards of America. There is not much secrecy as to the shocking casualty lists which are pouring in telling of our losses in Korea. There is not much secrecy about the

deaths of thousands of American boys on foreign battlefields.

I want to repeat, Mr. Speaker, what I said in the Committee on Rules, that I am getting sick and tired of being called upon to send to the floor of the House legislation that is marked "secret"; sick and tired, Mr. Speaker, of appropriating and spending the people's money secretly on the thesis or the basis that not even Members of Congress, let alone the American people who are footing the bill and fighting the war, can be trusted to know anything about what is being done.

Seven billion eight hundred and forty-eight million seven hundred and fifty thousand dollars. That is \$648,000,000 more than the total new revenues which would be raised by the new tax bill that we passed here in the House late in June, and which is now pending before the other body; a bill which would increase personal or individual income taxes on all American citizens by 12½ percent, and make them pay one-eighth higher taxes than before; a bill which would raise to an all-time high the taxes on corporations so that the Government will become the major partner in every business concern and activity in this country and take at least 52 percent, and perhaps as much as 80 or 85 percent, of the earnings of those concerns and corporations.

The proposal or program we have had before us is not the first of its kind to be presented to us. I predict that it will not be the last.

So I want to express what I believe is the feeling of many of us here by saying that I am losing quite a bit, if not all, confidence in the statements which are so regularly given to us by those in control of our Government. We have been told time after time that if we would just adopt this give-away program or that give-away program everything would be lovely, and we would have peace and contentment, quietude, and serenity, not only here at home but throughout all the world.

I can recall the days when we were being told, "If we will just give them the guns they will furnish all the men and do all the fighting." But, you will remember, it was not long until our youngsters were doing most of the fighting and dying in Europe. We were not only supplying the cannon, but the cannon-fodder as well.

I can remember back to lend-lease, which we were told would solve all the problems of the world and bring us peace. I can recall back when we were going to put Great Britain on her feet by making the British loan. I can also recall the brave words and the many promises uttered here about UNRRA, and how that great charity program was going to solve all the world's problems, and give us a peaceful and prosperous humanity.

My colleagues, it is time we stop, look, and listen. We must take time to consider what is being done to the great country which is called America. We must begin to realize how much we have already given of our national substance in the attempt to buy friendship and whether or not our attempts have been successful.

From July 1, 1945, to March 31, 1951, the United States of America expended or gave away \$32,682,000,000 in foreign aid, and that figure does not include military items and activities for the benefit of others. That is \$210 per capita, if I have figured correctly. In 10 years we have spent, on different types of foreign aid, military and otherwise, outside of fighting wars, \$124,000,000,000 of the American people's money. We appropriated the other day for our own national defense \$56,400,000,000. We are now devoting a far greater percentage of our national income for military purposes than any of these nations, and I refer you to this report, which we are helping so much.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Illinois.

Mr. ARENDS. In order that the Members may better comprehend what the gentleman is talking about in quoting the figure of \$124,000,000,000, may I say that I saw a figure the other day of \$115,000,000,000 we had given, granted, or loaned since the beginning of these programs, which is equivalent to the physical assets of the five great States of Illinois, Indiana, Iowa, Michigan, and Wisconsin, completely.

Mr. BROWN of Ohio. The gentleman is quite right. And remember that a great portion of that money was borrowed, and the debt is left for our children and our grandchildren to pay. We have not been furnishing this foreign aid from our own surplus, or paying for it with our own extra money which we can spare. Instead we have been spending and giving away the earnings and the substance of our children, and our children's children yet unborn, in an attempt, of course, to buy friendship and peace. We started out to help Europe recover from World War II, and then, when Europe had recovered to her prewar condition, the job would be done, we were told.

But let me read you a few facts and figures, if you please, from the bible of the State Department, the Economic Cooperation Administration, Eleventh Report to the Congress. May I read only two or three sentences? Remember, we were to help Western Europe recover her ability to produce and then everything would be hunky-dory, everything would be perfect. But let me quote what they say:

The sharp rise in Western European industrial activity carried output in the fourth quarter of 1950 to a new postwar peak, 38 percent higher than 1938.

In other words, according to this official ECA report, Western Europe has not only recovered industrially to where it was before World War II started, but is actually 38 percent better off than it has ever been, has a 38-percent higher production than at any time before World War II started.

But that is not all. Let me quote further:

Steel production at the rate of 54,000,000 metric tons annually reached the highest level on record in Western Europe. New postwar peaks were established in motor vehicles and textile output and in ship

building. New records are being established in agricultural production which for Western European countries as a group is expected in 1950-51 to reach a level nearly 10 percent above that of prewar.

Then, let me quote to you this too, if I may:

In the fourth quarter of 1950—

Now this is not BROWN of Ohio speaking—this is the ECA itself speaking—

In the fourth quarter of 1950, the export volume of the European Relief Program countries reached 157 percent of the 1938 level, and the monthly value of exports passed the \$2,000,000,000 mark for the first time on record.

What does that mean? That simply means that Western Europe is producing more goods than ever before—57 percent more production of goods for export than ever before. Going where? Into the world markets that were formerly supplied by the United States of America from the production of the factories and the labor here at home. But now we in the United States are producing steel—and making military weapons, tanks, and so on, under the military aid program, on the theory, if you please, that European nations cannot supply such weapons for themselves. Yet, at this moment, very moment, when the average American cannot get the steel he needs to keep his little workshop or factory going, when we have all sorts of restrictions upon the use of steel here in the United States in our effort to divert American steel to the making of weapons for foreign countries, European steel, sirs, is flowing into South America, and into Mexico, and taking the markets of those nations away from the steel makers of this country. That is happening in almost every other line of industrial production that I know of. So I have been forced to come to the conclusion: Unless we are more careful in what we are doing in helping Europe and other parts of the world to recover, we may destroy or lose the markets for the goods which flow from our own American factories and the skilled hands of our workers who are paying the costs of altruistic give-away programs. Once peace does come, we find we have made it impossible for many an American workman to have a job and the full dinner pail which he needs. We may find that in helping foreign nations too much we have destroyed our own. So I have come to the conclusion, reluctantly but with certainty, that while we may have to go ahead with some of this program, that we should and must, reduce the authorizations contained in this bill to more reasonable figures—eliminate as much of the economic aid as we possibly can—cut it in half at least—and reduce the military aid spending authorized by this legislation to a more realistic figure.

Remembering that many of the very same officials who are now telling us it is absolutely necessary to furnish machine tools, strategic materials, munitions and weapons to foreign nations, not long ago were with equal fervor assuring us of the friendship and trustworthiness of the Soviet Government of Russia and urging the furnishing of

all sorts of industrial equipment and military supplies to that nation, which has now turned upon us, I cannot refrain from sounding a note of caution. A sense of public duty compels me to warn the American people to stop, look, and listen. Those of us who serve in the Congress must get down to realism. We have lived and served long enough in Washington, we have had sufficient experience in Government, to know that none of these spending agencies ever ask for less than they need. We know they always ask for quite a great deal more than they either need or expect to get. If you question my statement turn to this committee report and just examine the list of witnesses who appeared before the Committee on Foreign Affairs in favor of this bill. You will find it was the spenders who testified, with but few exceptions, they asked for more than they are entitled to get. I hope the total authorizations contained in this bill will be drastically reduced. We can easily cut this total authorization by \$2,000,000,000—and perhaps by much more—without endangering our own security, or being unfair to other nations, but with much benefit to the average American who must pay the freight.

Let us remember that we cannot buy friendship—that it is difficult to help those who will not help themselves—that no military or defense advantage can be gained by arming those who do not have the will to fight for the preservation of their own liberties—and, finally, recognizing our responsibilities to others we must never forget that our first responsibility here is to our own people.

Mr. COX. Mr. Speaker, I rarely find myself in disagreement with the very able gentleman from Ohio [Mr. Brown]. I have at times wondered if I did not permit my deep affection for him to cause me too often to yield to his viewpoint. I listened to the gentleman with interest. It was not until he reached the conclusion of his statement that I got the point he was seeking to make. I understand that his objection to the bill is to the amount that it carries.

Mr. Speaker, there are many of us who have doubts about the bill, but it is my feeling that such doubts that haunt most of us will be dissipated if we will listen to the debate on the bill.

Representatives of the Foreign Affairs Committee who appeared before the Rules Committee on their application for a rule operated in complete frankness, and evidenced familiarity with the whole program. There was no apparent effort, none that I could see, or any inclination on the part of the committee, to withhold any information that might be helpful to the Rules Committee in passing upon the question that was presented. These representatives of the Foreign Affairs Committee conducted their case with becoming dignity and experienced no difficulty in convincing the Rules Committee that their bill should be brought before the House for such action as it might wish to take.

I was particularly impressed with the statements made by the chairman of the committee, the gentleman from South Carolina [Mr. Richards], by the gentle-

man from Ohio [Mr. Vorvys] and others. I was particularly impressed by the answers they gave to questions that were propounded to them. The question has been raised as to what is the difference between military aid and economic assistance. If I understood correctly the members of the Foreign Affairs Committee, economic aid is assistance that will be rendered to the friendly powers involved for the purpose, in the main, of being expended in the manufacture of munitions of war.

Mr. Speaker, it is possible that an amendment will be offered that I could support, but I wish to say, sir, that in the main I am for the bill. I do not see how we could afford to hesitate to move forward with the program that was initiated some 2 or 3 years ago. If these were normal times then there might be some reason for the opposition that we hear expressed to the adoption of this measure. But, Mr. Speaker, these are anything but normal times.

I should like to emphasize that not a dime of the money that is proposed to be devoted to the carrying on of this program will be expended except for the purpose of insuring national security. We know enough to know, Mr. Speaker, that strong, and mighty, and powerful as is this great country of ours, we cannot reasonably hope to contend with an angry world organized against us. We know, or we ought to know, Mr. Speaker, that Western Europe is important, that the continued cooperation as between our country and the other friendly powers of the world is necessary if this great United States of ours is to survive. I do not believe we will be able to locate a Member of this House who would take the position that nothing ought to be done.

The difference between Members of this body is, as I understand, confined largely to the question of amount of money that is authorized to be appropriated; and, with regard to this, Mr. Speaker, I should like to call attention to the fact that the Foreign Affairs Committee approached the consideration of this whole problem in a realistic manner. It has reported a bill that carries a reduction of three-quarters of a billion dollars in the amount claimed to be necessary for the successful prosecution of the program upon which we entered some time ago. It is my conviction that the committee has done an excellent job.

Mr. Speaker, I trust that there will develop no effort to tear this measure apart. The committee handling it carefully put it together, and is entitled to the thanks and the applause of the Congress and the country.

Mr. Speaker, I trust that the rule will be adopted and that the bill as written will, in the main, hold together.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, to avoid foreign entangling alliances is

to say that the United States should mind its own business.

Now that the Truman administration has squandered unlimited billions bringing tax exaction to the point of confiscation, the people of the United States want the Government of the United States to mind the business of the United States. The home problems have become unbearable under inflation. The dollar is vanishing in purchasing power under the waste, extravagance, and currency expansion. Instead of even attempting to devote time and effort to checking inflation the New Deal is running around the world poking the nose of our Government into other peoples' affairs. Already some of the countries are resenting the offensive course, and our Government is having its "Paul Pry" nose pulled for its pains. The price the people have paid as a result of the Government not minding its own business is colossal. I often wonder if it ever occurs to the bureaucrats, who are circulating at the taxpayers' expense from one country to another poking their noses into other countries' affairs, that the net result of their meddling will be trouble. The only way the people of the United States can have peace and prosperity is by having our Government mind its own business.

We could have kept free from the world war and from all the troubles which have followed the New Deal administration in charge of our Government had we minded our own business.

We have had trouble, and we will continue to have trouble, with the nations we have aided. One of the chief bureaucratic meddlers now making trouble abroad is the Economic Cooperation Administration. It is now trying to sell an ECA plan to foreign nations to which they violently object. This plan has aroused the Dutch officials to the point of frenzy. They are up in arms about this new factor in the ECA plan calling for direct contact between American officials and local trade unions and industry. These Dutch officials—more interested in preserving the integrity of their government and the sovereignty of their nation than in bartering these for United States dollars—charge that the ECA plan is "encroaching on national sovereignty," and is offering ammunition to the Communists, and end up by calling it "completely unacceptable."

The Dutch press is no less aroused. The conservative newspaper Trouw declares bluntly that the American plan for "direct interference in wage and price policy" represents nothing less than "an effort at colonization of Western Europe."

The Dutch press reports that—

The danger exists that ECA in intervening in the productivity problems of certain enterprises, would assume the tasks for which it is not equipped and for which it is not the most appropriate agency.

The Dutch Government never has approved of the way the ECA officers have run around their country talking to industrial and labor leaders, though it was tolerated so long as it remained strictly unofficial. The press reports: Dutch officials frequently were irritated

to find that in conference with business and trade-union leaders they were contradicted with the phrase, "But ECA says"—

The press reveals:

Now ECA has come up with its new program, which was inspired—

According to press accounts—

mainly by William Joyce, Jr., who made a survey tour of Europe and now has been named Deputy Administrator of ECA. The Joyce policy apparently spurred by the feeling that in Italy, France, and West Germany the Governments are not doing enough to increase productivity or to share the results of recovery fairly, is based on more direct contact with national economics.

Now what does the New Deal administration propose? I am informed that it proposes that bilateral agreements with Marshall-plan countries be amended, or new agreements be drawn, to empower ECA to deal directly with foreign industry and labor. Production-assistance boards would be set up comprising the government, industry, labor, agriculture, distribution, and the consumer—these boards to have independent status. Listen to this:

Specific plants would be "adopted" by American companies for the purpose of sharing technical know-how.

Eight billion dollars is now proposed for foreign aid. Every dollar to be earned by the sweat of the brow of the American taxpayer. This burden must be borne while taxes and inflation rob the people. Authentic information shows that ECA would make available \$330,000,000—\$250,000,000 in local counterpart funds and \$80,000,000 in dollars—to carry out the productivity drive.

The Internationalists—the One Worlders—utterly unmindful of their own country and also unmindful of the sovereignty, the self-respect of foreign people, insist on spending the American taxpayers' money to the taxpayers' detriment, and also contrary to the wishes of the citizens of the respective Marshall-plan nations.

The press reports that when the program was first circulated to the country missions, the ECA mission in The Hague expressed strong objections. Clarence C. Hunter, ECA Chief here, wrote ECA Administrator William Foster pointing out that the Dutch Government was as cooperative as could be wished and that there was no necessity in the Netherlands for such a far-reaching program, especially since a satisfactory rise in productivity had been noted here. Nevertheless, the new program was announced from Washington as a general policy, applicable to all Marshall-plan countries, stirring the violent reaction that could have been expected.

I repeat, \$8,000,000,000 to force our economic program on foreign nations which they do not want and which they resent. It means nothing to our bureaucratic, internationalist-dominated Government if the backs of our own people are broken with the weight of taxation.

Our republican form of government—so often slandered by calling it a democracy—would not have had the threat of communism and socialism and every species of foreign "ism" which now

menaces our Republic, except for failing to mind our own business. No people have ever long enjoyed peace, safety, and satisfaction under a so-called democracy. The founders of our Republic knew this and in their wisdom saw to it that our Government should be one founded on representation—a Republican form of government. I am opposed to H. R. 5113 and also to the rules.

Under leave to extend heretofore granted, I am inserting an article by Walter F. Trohan which appeared in the Times-Herald:

**COST OF DEFENSE, FOREIGN AID GOES OVER \$500,000,000,000 MARK—VETERANS' BENEFITS SWELL UNITED STATES SPENDING—NEW BILL TO TAKE FIFTH OF NATIONAL INCOME**

(By Walter Trohan)

The cost of defense and foreign aid has passed the \$500,000,000,000 mark and is soaring on toward the \$1,000,000,000,000 mark under the threat of world war III.

The cost of World War I and World War II with foreign aid and veterans' benefits, together with defense expenditures between the two conflicts and against the threat of communism, has reached almost \$647,000,000,000.

The total was sent over \$600,000,000,000 last week by House passage of the \$56,000,000,000 appropriation for the Army, Navy, and Air Force in 1951, which the Senate is expected to approve.

#### SECOND LARGEST APPROPRIATION

The \$56,000,000,000 appropriation bill is the second largest single appropriation bill in the history of Congress. The largest appropriation bill, as a \$59,000,000,000 military appropriation bill passed during the war on July 1, 1943.

The \$56,000,000,000 bill contemplates spending more than \$1 out of every \$5 of annual national income on defense. National income was estimated at a new high of \$251,000,000,000 recently.

The total cost of war, national defense in peacetime, foreign aid, foreign loans, and veterans' benefits are as follows:

World War I costs, 1917-19, \$17,725,509,843; World War II costs, 1942-45, \$243,832,226,728; peacetime expenditures, Army and Navy, 1920-41, \$28,003,073,955; World War I, foreign loans still unpaid, \$11,230,354,772; postwar loans, grants, and credits (January 3, 1940, through January 2, 1951), \$115,461,972,606; postwar national defense expenditures, \$123,863,114,269.

Fiscal years 1946 through 1951:

Veteran benefits and pensions, 1939-51.....	\$42,250,232,634
Veteran benefits and pensions, World War I to the year 1939.....	18,500,000,000
Contemplated expenditures, defense, etc., 1952.....	56,000,000,000
Total.....	646,866,484,807

<sup>1</sup>Included payments totaling \$3,595,965,530 in direct pensions and \$3,731,464,320 paid on adjusted-service certificates.

Since the Eighty-second Congress convened in early January, 107 Members have introduced 286 separate bills and four joint House resolutions to amend, extend or enlarge veterans' benefits.

#### VETERANS' COSTS SOAR

If Congress continues its favorable action toward veterans in the next decade, veterans costs will soar into a formidable item of the budget. Even at the present rate of expenditure—without new legislation and new veterans—veterans costs will reach \$200,000,000,000 in the next 37 to 45 years.

If new defense veterans and veterans of a third world war are added, the costs will

greatly exceed the contemplated 200 billions. The 200 billion estimate is based on the assumption that only half of the 12,364,000 persons mobilized for World War II will ever get full benefits voted.

The contemplated expenditure of \$56,000,000 on defense against communism by the United States is seven times greater than contemplated expenditures of the nine European pact allies.

#### EUROPEAN BUDGETS CITED

Representative PHILLIPS, Republican, of California, during the week offered Congress the most accurate figures that can be found on military budgets and spending of the Atlantic Pact powers for comparison with American expenditures.

The following table gives the total 1951 budget and military spending and the military budget for the current fiscal year by nation:

[In millions of dollars]

Country	Budget	1951 military budget	Current military budget
Belgium and Luxembourg.....	1,871	320	289
Denmark.....	351	46	85
France.....	7,523	1,704	2,450
Italy.....	2,410	500	915
Netherlands.....	1,512	237	392
Norway.....	347	51	91
Portugal.....	180	45	57
Great Britain.....	11,000	2,670	3,640
Total.....	25,194	5,573	7,819

The United States is proposing to spend more than \$8,000,000,000 on European aid. This is more than the budgets of the nations receiving the aid provide.

The nine allies have a total population of about 175,000,000. The population of the United States, which is planning to spend more than fifty-six billions on defense against communism, is 154,000,000.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

#### LABOR-FEDERAL SECURITY APPROPRIATION BILL, 1952

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia, Mr. HEDRICK, be excused as a conferee on the bill (H. R. 3709) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1952, and for other purposes, that a substitute be named in his place and that the Senate be notified thereof.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island? [After a pause.] The Chair hears none and appoints the gentleman from New York, Mr. ROONEY. The Senate will be notified of the resignation and the appointment.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Landers, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3880) entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1952, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to Senate amendments Nos. 39, 45, 60, 86, 88, and 113 to the above-entitled bill: Be it further

*Resolved*, That the Senate recedes from its amendment No. 108 to the above-entitled bill.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 349) entitled "An act to assist the provision of housing and community facilities and services required in connection with the national defense"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAYBANK, Mr. SPARKMAN, Mr. FREAR, Mr. DOUGLAS, Mr. CAPEHART, Mr. BRICKER, and Mr. IVES to be the conferees on the part of the Senate.

#### MUTUAL SECURITY ACT OF 1951

Mr. RICHARDS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 5113, the Mutual Security Act of 1951, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. RICHARDS. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, the bill before the House for consideration today is entitled "the Mutual Security Act of 1951." It is variously known as the foreign-aid program, the mutual security program, and other names that mean the same thing. This bill does deal with foreign aid; it does deal with mutual security; more importantly, at this stage in world affairs, these ideas are mutually complementary in the policy of the United States.

I realize, Mr. Chairman, that the membership of the House has for some time been anxious to consider this bill. The summer is going on, the world situation continues to be somewhat tense, and the Nation's business awaits our action.

I want to assure the House—and the public at large—that no criticism is warranted on any ground that the membership has been unwilling to take up this bill. On the contrary, this bill is here today as soon as possible after Committee consideration was completed only a few days ago.

At the same time, I want to assure the membership that since mid-June when the program was presented to the Congress the Committee on Foreign Affairs has been working day and night—literally—examining all the many complex aspects that are involved. Neither do

I mean to infer that the executive branch has been dilatory in developing this program. I think the House should be fully aware of the time it takes to pull together a program like this. It involves a mass of military, economic, and political information that must come from other countries. All this must be evaluated at many levels of government before estimates can be prepared. The estimates themselves must be carefully weighed against considerations in the United States.

The House could have had this legislation sooner; and so could have the Committee on Foreign Affairs. But I am sure that the House concurs in the Committee's judgment that it was pointless to devote time to the consideration of a program until it could be presented in a manner that could be fully justified.

I can assure you that the Committee on Foreign Affairs has given this program the closest scrutiny. It was my pleasure to head a group of 18 Members of the House representing the Committees on Foreign Affairs, Armed Services, and Appropriations, which went to Europe and worked hard for 10 days interviewing our officials and our military leaders to get first-hand information before this program was considered in committee. When our study mission returned, the Committee on Foreign Affairs began its hearings. The hearings on this bill took 31 days. During this time the committee held 60 sessions—21 in open session and 39 in executive session—and heard a total of 67 witnesses from public and private life. The committee record covers about 1,600 pages of printed hearings; and there is still more in the executive session record that must remain closed for security reasons. When the hearings were completed, the committee spent 9 days—including night sessions—in writing the bill now before the House.

I say all this not by way of trying to show the House that we work longer and harder than any other group. Quite the contrary; I merely want the House to understand that the Committee on Foreign Affairs has been doing the job the House has a right to expect of it. The bill before you today has been fully and carefully considered.

It is also a committee bill in the true sense. Members of both parties gave freely of their time and energy; argument was sincere and without rancor; every member of the committee was fully conscious of his public responsibility and the interests of his country. This is a committee bill; it is a bipartisan bill. I urge the House to consider it in that light.

I know that Members of the House have many questions to raise and many considerations to weigh in their own minds when they vote on this bill. However, I think we can look at this bill in terms of three main questions:

First. What is the rule of foreign aid relative to the security of the United States?

Second. Is the money authorized in this bill necessary?

Third. Is the existing organization adequate to the task of conducting a mutual security program, and if not, does the organization plan in this bill provide the answer?

I propose to give the House my thoughts on each of these important questions.

At the outset, let me state one fundamental premise: In the world today, the security of the United States is part and parcel of international peace and security. The time has long since passed when the United States can rest its security around and within its own borders. This is not a theory; it is a fact of the age in which we live. We took a long time to learn the lesson; and some Americans have not learned it yet—in spite of the blood and treasure we spent in the late war.

Preserving our own security means preserving the security of the free world. We accepted this principle in the 1930's; we endorsed it when the Eightieth Congress enacted into law the European recovery program. We have continued to recognize the fundamental truth in this doctrine every time we cast a vote for larger military appropriations—to build a force that can serve our global military objectives. We are full parties in the North Atlantic Treaty—a treaty where we openly and fully agreed that an armed attack on one is an armed attack on all, and that we would take measures to build up individual and collective self-defense. As a part of that commitment we have helped create a European defense force, which General Eisenhower commands. Our military objectives and requirements take these commitments into account. Clearly and obviously, these commitments are part of the defense of the United States, and they must be honored as such, whether the money to meet them comes in a military appropriation or in foreign assistance legislation.

I cannot speak too highly in praise of General Eisenhower for the accomplishments which have been achieved under his leadership at SHAPE. In the comparatively short time he has been in command outstanding progress has been made in the organization and development of a European defense structure. As a result, there has been a notable revival and upsurge of morale among the people of Western Europe. This has been possible largely because of his great ability and the unprecedented degree of respect and confidence which he has inspired among our allies.

No one here questions the openly aggressive design of Soviet imperialism. We know full well that unless the free world can overpower the masters of the Kremlin with the mass of its strength—in weapons, in morale, and in the vigor of its productive economic institutions—we stand like a shorn Samson, unable to resist effectively the forces against us. It is a dangerous fallacy to assume that our task is completed when we attempt to meet our strictly military commitments. Military security objectives go hand in hand with the political and economic objectives of our policy. Serving

one and neglecting the others only prejudice the one.

The foreign assistance program in this bill is an integral part of our security objectives. We seek to strengthen our own security by arming our friends in a common defense effort. We also seek by economic and technical help to strengthen the economies of friendly nations. In doing this we enable them to help in the task of arming themselves, and we help to blunt the sharp sword of Communist subversion that so completely and successfully destroys the weak.

Mr. Chairman, the foreign assistance program in this bill is one of the tools we must use to build security. It is as important a tool as the military forces of the United States, and we cannot assure our security by using only one of these tools. Both serve to defend the United States, each in its own way. The program in this bill and the funds authorized in it are an integral, important, and necessary part of the over-all expenditures for the defense of the United States.

It is my contention that the over-all figure authorized in this bill, \$7,848,750,000, is part of our over-all defense program and is just as essential to the defense of the United States as the \$56,000,000,000 defense appropriation bill, and the \$5,700,000,000 air base bill recently passed by the House.

Members may well ask, "When is this going to stop? We have spent billions in one program after another, and each time we are told 'this will solve the problem' but it never does." I appreciate the force of this question. I appreciate the sincere concern of those who ask it because they are concerned with the welfare of their country and with its financial solvency.

My answer to that question is—we can stop spending money for foreign aid—for mutual defense—when our foreign allies are equipped to carry their share of the load. We hope and believe this will be soon.

The aim of this program is to help us reach the point where we can do with less because the threat of war—and the astronomical expenditures that go with it—will be less.

Only last week, when the \$56,000,000,000 defense bill was before the House, it was stated that the bill should be passed because war with Russia is inevitable and time is short. May I say that I do not concur in that opinion. In my thinking, the mutual security program is not offered here because war is inevitable. It is offered because I believe that with our own defense program and the program of help we are giving to other free nations to defend themselves, we will erect a common defense so strong that Russia will not dare to attack. The defensive strength is not to fight a war; it is to prevent a war.

Before the House approves this program, it has a proper right to ask what has happened to the dollars we have already spent on security for the free world

since the end of the war and whether those dollars have returned full value to us.

Here are the figures of appropriations through fiscal year 1951 for the principal programs:

Greek-Turkish Aid Act (act of May 22, 1947) .....	\$625,000,000
Economic Cooperation Act .....	12,545,547,328
Mutual Defense Assistance Act (includes military aid for Greece and Turkey in fiscal years 1950 and 1951) .....	6,581,510,000
Act for international development .....	34,500,000
Total .....	19,786,557,328

Let us examine these for a moment. We cannot calculate the return in dollar terms; lives, morale, and the intangibles of freedom are not measurable in dollars. Does anyone doubt where Greece and Turkey would be today without this aid? With our help, the Soviet Union has been prevented, first, from gaining an opening in the Mediterranean, one of the strategic anchors for Western Europe; second, from obtaining a free passage through the Middle East to Asia and Africa; and third, from gaining control of a vital oil supply. Who will deny that this expenditure defended the security of the United States?

Would there be a free Europe today without the European recovery program? Communism was on the march in Western Europe in the immediate postwar years; and there was a serious question as to who would control the vast economic potential of that area. No responsible person I ever heard would deny that without our aid then Europe would be Communist controlled now. What would this have meant? With Western Europe on our side, the free world has a material productive advantage over the Communist nations, but if Western Europe had been lost to us, this advantage would now be greatly reduced and in some cases overcome. Without Western Europe's productive capacity, our advantage over the Communist nations would be reduced, generally, in coal from 3 to 1, which it is now, to three-fourths to 1; in steel from 5 to 1, as now, to 1½ to 1; and in power from 6 to 1, our present advantage, to 1½ to 1. And if Western Europe were lost, we could not hope to hold the Middle East; the Communists would then control half of the world's oil reserves. In addition, 174,713,000 people—the population of the western European countries—would be under the iron heel of Soviet tyranny.

Perhaps Europe would not have fallen but we could not afford to gamble with stakes that high. With the Berlin blockade behind us, and our present knowledge of Soviet intentions, who would deny that the free Europe we have as an ally today was not worth the money we spent?

We began the mutual defense assistance program in 1949, amid many doubts about its value. Where would we be today if we had not taken this bold action 2 years ago? Could we overcome

our disadvantage starting from scratch now?

The point 4 program was ridiculed last year as a boondoggle and a waste of money. Has anyone stopped to count the dividends—even in this short time—and the possibilities in terms of discovery of new sources of strategic materials, or of the effect at the grass-roots level—where it really counts in the war against communism—on the morale of thousands of people?

We are gaining ground; we are defending our security on all fronts. Who will deny that the results are worth the expenditure in 4 years of a sum that is only about one-third of our military budget this year?

As the guardian of the taxpayer's dollar, the House can well ask the second of the main questions: "Is the money authorized in this bill necessary?" Let me say right here: If I thought that all the money authorized in this bill was not necessary I would not be here asking the House to vote it. And if I had merely endorsed the Executive request, I could not conscientiously tell the House that there was no room for reduction. My reasons for urging the House to vote the amounts in this bill are these: First, a cut has already been made after careful consideration by myself and by the Committee on Foreign Affairs; second, the amounts in this bill represent, in my best judgment, the minimum amounts necessary to carry on the program; and third, making further cuts runs the risk of denying us the vital objectives we seek to attain by this program.

When the President sent his budget message to Congress on January 15, 1951, he stated that he would later recommend a mutual security program for the fiscal year 1952 to cost \$9,700,000,000. On May 24, 1951, after further screening, he transmitted a message to Congress recommending the enactment of a mutual-security program with an authorization of \$8,500,000,000. The recommendation in May 1951, was \$1,200,000,000 or about 12.37 percent less than the original estimate.

The committee heard the executive branch urge in great detail the approval of the \$8,500,000,000 request. When the hearings were completed, and before any bill was introduced, I considered the matter carefully and consulted with the professional staff of the committee to determine whether reductions could be made without injury. As a result of our studies, I introduced H. R. 5020, a bill which reduced the Executive proposal by \$700,000,000 or about 8.24 percent leaving a total of \$7,800,000,000.

The committee considered H. R. 5020 with the greatest care and made a few changes in the amounts. The amounts in the bill before you total \$7,848,750,000. This is \$651,250,000 or 7.66 percent less than the original request. If we look back at the amount the President estimated in January 1951—\$9,700,000,000—and compare it with the figures in the committee bill, we find a total reduction

in the original estimate of \$1,851,250,000 or 19.08 percent.

Let us examine the reductions made by the committee. Here are the figures:

Amounts authorized by this bill by area with a comparison of amounts requested<sup>1</sup>

Item	Requested	Recommended change	Amount authorized
<b>Title I (Europe):</b>			
Military assistance.....	\$5,293,000,000	—\$265,000,000	\$5,028,000,000
Economic assistance.....	1,675,000,000	—340,000,000	1,335,000,000
Total.....	6,968,000,000	—605,000,000	6,363,000,000
<b>Title II (Near East and Africa):</b>			
Military assistance.....	415,000,000		415,000,000
Economic assistance.....	125,000,000	+50,000,000	175,000,000
Total.....	540,000,000	+50,000,000	590,000,000
<b>Title III (Asia and Africa):</b>			
Military assistance.....	555,000,000	—25,000,000	530,000,000
Economic assistance (excluding Korea).....	262,500,000	—25,000,000	237,500,000
Assistance for Korea.....	112,500,000	—101,250,000	11,250,000
Total.....	930,000,000	—151,250,000	778,750,000
<b>Title IV (American Republics):</b>			
Military assistance.....	40,000,000		40,000,000
Economic assistance.....	22,000,000		22,000,000
Total.....	62,000,000		62,000,000
<b>Title VI (general): Strategic materials</b>			
		+55,000,000	\$55,000,000
<b>Grand total</b> .....	<b>8,500,000,000</b>	<b>—651,250,000</b>	<b>7,848,750,000</b>

<sup>1</sup> \$55,000,000 has been transferred from title I, economic assistance for strategic materials.

Let us look at the figures in more detail. The changes made in the authorizations can be explained very briefly. In title I—Europe, the net reduction was \$550,000,000, or 7.9 percent. The difference between \$550,000,000 and the total reduction of \$605,000,000 in title I is \$55,000,000. This amount is an authorization for strategic materials development in all areas and is added in title VI of the bill. In other words, of the \$605,000,000 total reduction made in the Executive request for title I, \$550,000,000 is a cut and \$55,000,000 represents a shift out of title I to title VI. This has not been done to deceive the House in any way, shape, or form; which would have been the case had this amount been left in title I.

The reductions in title I consist of \$265,000,000 or 5.38 percent of the military funds; and \$285,000,000, or 17.01 percent of the economic assistance funds.

We will hear more later about the division between "economic assistance for defense" and "straight ERP" economic assistance. Such a division can be made, but it is arbitrary and unrealistic. I will have more to say on that matter later. However, if we assume this division for the moment, the cuts made by the committee in economic assistance in title I are even more revealing. Dividing this part of the original request on this basis, and the \$285,000,000 cut on the same basis, the 17 percent cut made in economic assistance would represent a cut of \$150,000,000 or about 14.96 percent in economic assistance for defense and a cut of \$135,000,000 or 20.08 percent in straight ERP economic assistance.

What I want to impress on the House is that the cuts in title I—a most critical area of the world—are substantial from whatever point they are viewed. These reductions represent a judgment on what can be taken out and still have the program succeed.

In title II, Near East and Africa, no reductions were made. The committee increased the figure of \$125,000,000 for economic assistance by \$50,000,000 to a

total of \$175,000,000. The \$50,000,000 increase was for relief and resettlement of refugees coming into Israel.

In title III, Asia and the Pacific, the committee made an over-all reduction of \$151,250,000, or 16.25 percent in the original \$930,000,000 requested. This represents a reduction of \$25,000,000, or 4.5 percent in military assistance, for which \$555,000,000 was originally requested; and a total reduction of 33.66 percent in economic assistance, for which \$375,000,000 was originally requested.

The economic assistance funds in this title were not cut across the board. There are two amounts to consider here: Economic assistance funds for certain countries in this area, but not Korea; and funds for a contribution to the United Nations Agency that will conduct Korean rehabilitation operations. The reduction in economic assistance for countries other than Korea was \$25,000,000, or 9.52 percent of the \$262,500,000 requested. The reduction in the Korean authorization was \$101,250,000, or about 90 percent of the \$112,500,000 requested.

I want to add a word on the reduction in the Korean authorization—the largest reduction we made. The reduction was made not because we believe Korea is lost, or because we are ready to have the United States wash its hands of the rehabilitation problem. On the contrary, the committee is fully aware of the magnitude of the task; it is fully aware that we have a share of the free world's responsibility to rehabilitate Korea. The committee is authorizing only 10 percent of the original request as a down payment at this time. We do not believe that the full amount requested is needed at this time. When the time comes, I am sure the House will take action suitable to the circumstances.

There are no reductions in title IV, the American Republics. The relatively small amount of money in this title was fully justified before the committee.

On an over-all basis, the reductions made in the bill represent a reduction

over the original estimate of \$290,000,000, or 4.6 percent in total military assistance, and \$361,250,000 or 16.43 percent in total economic assistance.

We have tried to save money in this program; we have cut off from the lowest figure given us by the executive department all we thought we could cut off. From the standpoint of the United States, this cut was just as drastic as would have been the case had we cut \$5,000,000,000 from the defense and air base bill recently passed by Congress. One, in my opinion, is just as important as the other. The difference is that when anything comes up before Congress for the defense of the United States, we ask no questions. We are afraid we might make some mistake. To be sure we provide enough for the defense of our own boys in the service, we do not question the figure presented to us by the Department of Defense. We made no cuts in the military bills. The Committee on Foreign Affairs has cut the mutual security program on an intelligent basis.

Can further cuts be made in this program? My reply for two reasons is "No." The first is a personal one. If I had felt that further reductions were in order, I would have recommended them. The more important reason, however, is that I believe that further reductions will hamper the program.

Let us look through the program. The authorizations in the bill as it stands now provide for \$6,013,000,000 of military assistance, or 76.61 percent of the total funds in the bill. Of the \$6,013,000,000 for military assistance, about 91 percent of this, figured roughly, is for end-items—the actual fighting tools needed to equip forces. Seven and thirty-five hundredths percent is accessorial charges—the cost of getting the end-items where they will be used. This means that 98.35 percent of the military assistance funds will be used to purchase hardware and get it to its destination. Training in how to handle the hardware takes up another 0.63 percent and the remaining 0.88 percent is for administration.

We will be told that this can be reduced because \$4,782,300,000 of funds already appropriated is still unexpended. I do not deny this. But let me remind the House that military equipment is not built in a day—it takes time to plan, design, and produce. And funds were required before this could be done. The \$4,782,300,000 represents equipment in the pipeline.

We will be told that there are funds still unobligated. That is true, too. But let us remember that the estimates we are working on have taken account of those funds.

What we are dealing with here is a problem of delayed impact. If we cut further now, it may not necessarily mean fewer guns to our friends in the next few months. But it will mean that our build-up is slower; the target dates of our military plans pushed back further. All of these points apply with equal force to our own defense budget. We can only spend about \$40,000,000,000 this year, and some of that is money we appropriated last year. But we voted

about \$60,000,000 a few days ago—with-out reductions. Why should we think that on the same considerations overseas defense is less in need of money than our forces at home?

There are many who are quite willing to vote military funds without change, but who with a clear conscience will vote to reduce the amounts for economic assistance in this bill on the theory that economic assistance is not as necessary as military assistance. This reasoning, too, is based on fallacies. One of the fallacies is that cutting further economic aid to Europe does not injure the military program; and that Marshall plan funds can be cut because ERP is in its last year and we should not assist any further in this respect. Another fallacy is that outside Europe, economic assistance is unnecessary and wasteful. In the principal countries of Europe, economic assistance has been programed as a part of the rearmament effort. This is the important point.

The task we have ahead of us—the Europeans and ourselves—is to produce as much military equipment as we can as soon as we can. Production requires plants, raw materials, tools, transportation, power, and a host of other essentials. It requires larger defense budgets, which leaves a corresponding lack of budget expenditure for other goods and services.

What we are dealing with here are the productive resources of the free world. We know from our own experience in the last war that while guns were vital, all the people, plants, and facilities from farm to front were equally vital. Production for defense requires them all. Does anyone doubt that electric power was vital to the end result that produced an atom bomb? Does anyone doubt that a lack of freight cars could lose a battle? Let us remember that old homily of Poor Richard:

For want of a nail, the shoe was lost;  
for want of a shoe the horse was lost; and  
for want of a horse the battle was lost.

Under our urging, all of the European NATO countries have increased their defense budgets to the limits they can sustain. Even so, help is needed to keep the build-up going.

If we had all the time we needed, we might let Europe set its own speed. But there is an urgency about our security, one we cannot ignore.

If we reduce economic aid on the theory that it can stand it when military funds should not be touched, what do we gain? Nothing.

If for lack of economic support Europe cannot keep up its defense production and increase it there are only two choices; either we lengthen the time when we will have a minimum security—and thus further jeopardize that security—or in order to meet time limits we have set, we must produce—send more of our own arms abroad. If we choose this alternative, we make the worst possible choice. Europe can produce some military equipment cheaper than we can. Why should we not do all we can to assist her in this effort? If we do not, we simply push our own costs up higher. There is another important reason why it is in

our interest to assist in building up European production. What we are aiming at is a build-up to a point where Europe can sustain a high level of defense production, at which point our aid can taper off sharply. If we do little to accomplish this task, we simply put the burden on ourselves. We will necessarily have to continue supplying military equipment at high cost if we want, as we do, to have a military force in being in the shortest possible time.

There are those who feel that economic aid is no longer necessary, because the Marshall plan is coming to an end. Still others feel that because it is tapering off, the European recovery program should be ended now, or at least drastically reduced.

During our hearings, we were told that if the rearmament program was not upon us, the request for economic assistance to Europe would only have totaled \$672,000,000. Some feel that, therefore, a division can be made between economic aid and old-type ERP aid. I submit that any such distinction is purely artificial. It is true that this figure includes some countries not now able to contribute to the rearmament effort. Some of these border on the iron curtain. They have not changed their location since 1948. The same strategic considerations that caused us to support them then are controlling now.

For the others, the distinction between ERP and aid for defense is artificial. All the productive resources of a country must contribute to its national strength, which is what we are building. To make the distinction is to say to one's self "The head is the only important part of the body; cut off the middle." It does not make sense; neither does it make sense to dissect the total aid that is going to assist a total economic organism.

To those who are concerned that continuing economic assistance to Europe gives ECA a new lease on life, let me say that this bill abolishes ECA as an agency and terminates assistance under the Economic Cooperation Act on June 30, 1952, the date put into the law in 1948. The President recommended that ECA be continued indefinitely. We of the Foreign Affairs Committee feel that we should honor our pledge to Congress and the people. It will be up to the President to make recommendations before next June 30 on the kind of law needed to fulfill our security objectives so far as economic assistance is concerned.

This bill contains funds for economic assistance outside Europe. This consists of funds for economic development and technical assistance in the Near East and Africa, in Asia, and the Pacific, and in Latin America. This is not aid for military production, but it is just as important. These countries, particularly in the Near East, Africa, Asia, and the Pacific area are right at the edge of the iron curtain. They are high on the Communist list as hunting ground for subversion. Our assistance as designed to improve them at the grass roots level; to teach them how to use the tools that can give their existence a hope. In short, it is assistance to prevent Communist aggression just as surely as arms will prevent it in Europe. In Latin America,

our assistance is paying off in more raw materials, and the things that are vital to us.

There is an additional reason why the funds in this bill represent a minimum program. A provision in the bill requires that of assistance furnished under the ECA Act, 20 percent must be on credit. This is a good provision; it is time our aid comes back to us. In round figures the amount of repayable aid will be about \$320,000,000. This certainly means that of assistance given on credit in Europe, these countries will be carrying heavy defense budgets and borrowing to help get the job done. I believe they can do it; but if we reduce the assistance further, we put an extremely heavy burden on them at a time when they are straining the most.

All of these programs—military and economic—are tied together. All are important to what we are doing in the world. I believe that the funds in this bill represent the minimum necessary for our ends.

Let me outline briefly to the House what this bill contains in fund authorizations:

A. Military assistance	\$6,013,000,000
(a) End items	5,480,000,000
(b) Other military cases	533,000,000
B. Economic assistance	1,835,750,000
Point 4 program	85,256,000
ECA aid in Europe	1,287,000,000
ECA technical assistance in Europe	20,000,000
ECA aid in underdeveloped areas	255,486,000
Strategic materials development	55,000,000
Other expenses	21,758,000
Refugee programs	100,000,000
Rehabilitation of Korea	11,250,000
2. Shown by title in the bill the figures look like this:	
A. Title I—Europe:	
Military	5,028,000,000
Economic	1,335,000,000
ECA aid in Europe	1,287,000,000
Technical assistance in Europe	20,000,000
Other expenses	28,000,000
B. Title II—Near East and Africa:	
Military	415,000,000
Economic	175,000,000
ECA aid	23,450,000
Point 4 program	51,550,000
Refugee assistance	100,000,000
C. Title III—Asia and Pacific:	
Military	530,000,000
Economic	248,750,000
ECA aid	232,136,000
Point 4 program	5,364,000
Korean rehabilitation	11,250,000
D. Title IV—American Republics:	
Military	40,000,000
Economic—Point 4 program	22,000,000

It is obvious that in a world-wide program such as this, flexibility is needed. We must be able, within limits, to bring assistance to bear in any crisis that merits its use. Accordingly, the bill gives the President the power to transfer funds. In title I—Europe, the President may use up to 5 percent of the funds for military or economic assistance interchangeably. This is a special provision, for here the objective is clear—produce all the arms that can be produced. Elsewhere there is power to transfer up to 10 percent of the military funds or economic funds to different areas, but not to interchange these funds.

The third important question in this bill is whether the existing organization for conducting this program is adequate to the task, and if not, does the organization in this bill provide it?

I have given careful thought to this question, and so has the committee. Our conclusion was that the present organization is too scattered to do an effective job. The existing organization is a makeshift, based on the organization provided for three different programs at three different times. If our present program is to be effective, a new organization is needed.

The organization plan in the bill was drafted by the committee. We had the benefit of suggestions from the outside, but our working plan was developed before any of the other various plans was presented to us. The organization in the bill can be explained briefly. There is to be a single agency for the aid programs in this bill, headed by a Mutual Security Administrator, comparable in rank and salary to the head of an executive department. This Administrator will be appointed by the President and confirmed by the Senate. He will have a deputy appointed in the same manner, who will have the rank and salary of an Under Secretary.

The Mutual Security Administrator will administer the functions now being performed by ECA, the point 4 program, and certain of the functions of the mutual defense assistance program. The President retains certain essential powers given to him in the acts governing these programs.

Policy will be determined by the Administrator, but the Secretaries of State and Defense have full rights of consultation on matters that affect their responsibilities. If agreement cannot be reached, there is a direct route to the President who will make the decision.

Overseas, there will be a Mutual Security representative in Europe—a "theater commander"—who will direct the program in the area. Special missions are provided for each country where they are needed. By this means, planning can take place at the source, and programs can be developed for final decision. Operations can proceed, all the way down the line from Washington on an efficiency basis.

The organization plan in this bill does not blanket in the present employees of all the agencies now working in these programs. By an arrangement, in the bill the Administrator and the Bureau of the Budget have a check on each other,

a check designed to make sure that the Administrator will get only the right number, and the right kind of competent help he will need. This new organization will take over its duties 60 days after the act goes into effect, or sooner if possible. I believe that the single agency, as proposed in this bill, can do a better job than we are now doing with the present organization. The job to be done requires the best structure we can provide.

The new organization provided in this bill is not a slap at anybody. It is simply the product of the collective thinking of the members of the Foreign Affairs Committee that the job we should do abroad in our over-all defense program is one that can best be done by concentrating the power of distribution and control of military aid, economic aid, and point 4 under one head. The responsibility to the President, to the Congress, and to the people of the United States would be his. It is my belief that a central agency can best do the job, that it can save money for the United States and that fixed responsibility and power will expedite what we are attempting here to do.

Ladies and gentlemen of the House, the bill before you today deserves your most thoughtful consideration. You are legislating for the defense and security of the United States. You are being asked to vote a program that is necessary to the preservation of the interests of the United States. No matter how much we may dislike it, we are living in a world that offers us no choice but to build our security on a world-wide basis. As Americans, we may feel that expenditures abroad yield little return to us. But if we think of foreign expenditures as a means of accomplishing our objectives, I am sure you will agree that it is cheaper than lives. We are already measuring in blood the cost of being a great nation. This program is an additional drain on our resources; that no man will deny. But can we hope to live in peace until we provide the means to insure that peace? In the past we have found that peace without strength is a false peace. We need to build our strength—as fast as we can—and this strength is the strength of ourselves and our friends in the free world. We do not control the timetable; for us the time and the task is urgent. Let us not lose sight of this fundamental fact. In the years to come there will not be a chance to say "We made a mistake; let us change our minds." We must make the right judgment now—so there will be no mistake.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. MILLER of Nebraska. Regarding the Secretary of State, I think provision for someone to handle this great spending is in order. But I notice on page 29, section 513, you put all of it back in. You say that nothing contained in this Act shall be construed to infringe upon the powers or functions of the Secretary of State. All of the spending of these agencies will be under the Secre-

tary of State. First, you took away the power, then you gave it back.

Mr. RICHARDS. Mr. Chairman, I decline to yield further. I yielded to the gentleman to ask a question. I will answer his question in due time. I do not want to take up valuable time others may desire to use.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Georgia.

Mr. COX. Are not their arsenals capable of being renovated so as to produce weapons?

Mr. RICHARDS. The gentleman is correct.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield at that point?

Mr. RICHARDS. I yield for a question.

Mr. MILLER of Nebraska. Does the gentleman know that the metropolitan papers carried a complete outline of all the foreign air bases a few weeks ago?

Mr. RICHARDS. No, they did not carry a full and complete outline. I do not mean to infer that the newspapers are intentionally inaccurate but sometimes the facts, as they report them, are wrong. The other day, while the mutual security bill was still in committee, one of the metropolitan papers said that the funds in the bill had been cut \$1,000,000,000. As the House can see, that was wrong.

Mr. MILLER of Nebraska. I am referring to our air base locations. They were all printed in the paper.

Mr. RICHARDS. I think if the gentleman will look at the list to which he refers, he will find a long list of air base locations—in the United States; I do not think he will find any mention of bases in any foreign countries.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. JOHNSON. Last summer I was over there for our committee studying the military assistance program. The very fact that those little countries like Norway, Denmark, Holland, and so forth, know that we have entered into a solemn agreement to protect them in case of attack has given them the courage to spend their money for arms and to make themselves as strong as they can; and I want to say further that every one of those countries is spending as much on the defense of their countries in proportion to their national wealth as is the United States of America.

Mr. RICHARDS. There is no doubt about that at all.

Mr. JOHNSON. They are that much better prepared if trouble arises.

Mr. RICHARDS. It is hard to realize the great moral uplift it has given to them. Before the First World War and likewise before the Second World War our efforts were directed at avoiding involvement. Today the situation is different.

Mr. KELLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. KELLEY of Pennsylvania. One of the purposes of the Marshall Plan was

to stop the encroachment of communism, which was done to a great degree. I wish to ask the Chairman with reference to these eligibility rules the condition that prevails over there now as to inflation and low wages, which is used as propaganda by the Communists; is there anything in these eligibility rules that is to be construed that all those nations must do something about their economic situation?

Mr. RICHARDS. They are already exerting a strenuous effort. The living standards of the people have not been raised over-all. These countries are trying to improve wage and other conditions at home. In the requirements written in this bill we are trying to encourage our friends to improve those conditions wherever possible, consistent with the whole effort of the rearmament program.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I cannot yield.

Mr. MILLER of Nebraska. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. May I suggest to the gentleman that when he seeks recognition he address the Chair?

Mr. MILLER of Nebraska. I did, Mr. Chairman.

The CHAIRMAN. The time of the gentleman from South Carolina has again expired.

Mr. RICHARDS. Mr. Chairman, I yield myself seven additional minutes.

Mr. MILLER of Nebraska. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and one Members are present, a quorum.

Mr. RICHARDS. Mr. Chairman, I have taken too much time already but I want to emphasize again the basis upon which this bill is presented. One of my very dear friends and an able Member of this Congress said when the \$56,000,000,000 bill was up for consideration: "Time is short; war is inevitable." I do not agree. I believe with General Eisenhower that if we can get one or two more years, the chance of war—started by the Communist countries—is very greatly reduced. But, remember, if we are not going to have war with Russia we must—and right now—continue to bolster the military and economic effort of friendly countries in other parts of the world. It will be the cheapest money we ever spent.

Let me repeat another point. About six-sevenths of this money is for military aid, most of it for end items. If any part of the funds in this bill is to be cut—and this is my solemn conviction—less harm will be done by simply taking the bull by the horns and cutting out the military aid.

But the House is not going to do that. The House knows full well that we need these people by our side; that there is no use of having raw troops marching about Europe without tanks, guns, and ammunition in support. The military forces must be real, effective fighting units. It is not the number but the quality that counts.

Mr. VORYS. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, let us first remember what this is all about. It is about how to meet the grim and deadly world-wide threat of Godless, ruthless communism, and the reason I will not spend too much time discussing that threat today is because I believe you all understand that threat now, and the only question is how best to meet it.

Mr. Chairman, I am for this mutual security program for military, economic, and technical assistance to four regions in the world.

I was for ECA in 1948—temporary, emergency economic aid to those who help themselves, and each other, and us. I was sort of Republican House floor manager for the ERP. It has succeeded beyond our original hopes and promises in bringing about recovery in Europe. But times have changed—and so has ECA.

I was for military assistance to Europe before President Truman was. I tried to get it in the ERP bill in 1948, but could not get administration support for it.

I was for technical assistance—export of American "know-how," and helped write the technical aid provisions in the Smith-Mundt bill passed in the Eightieth Congress, long before President Truman made his point 4 speech in 1949.

I was for the package approach, bringing all our foreign-aid programs together, in 1948, when the administration and its columnists and commentators were against it, and said it was to delay and confuse, and the Eightieth Congress put through a package bill, including the Marshall plan, on time. The deadline was April 1, and the House passed it March 31.

#### PRESENTATION

When I was asked, over 7 months ago, about a package approach for foreign aid this year, I approved. Presentation was delayed, however, for nearly 6 months, and the hearings on this bill were the worst I have ever witnessed in 13 years in Congress, confused, poorly organized, not coordinated. It became evident that the lack of coherence in the presentation was symptomatic of the organizational confusion in foreign-aid planning and execution.

#### THE ADMINISTRATION PROPOSAL

The President and Secretary Acheson urged that this organizational monstrosity be continued.

First, ECA was to be made permanent.

Second, The head man over military and economic assistance was to be three layers down in the State Department, "exercising responsibility for the Government as a whole," to quote the Executive memorandum.

Third, technical aid, point 4, was to continue to be in the State Department, separate from ECA, which had its own technical-aid program.

#### COMMITTEE ACTION

What the committee did has already been sketched out for you. I want to pay my tribute to our chairman and our staff, who did a great job. Our new chairman is able, independent, fair, and

square, a very tactful but tough American. He is an extremely stubborn man. He is so stubborn he even claims at times that I am stubborn, just to show you what I mean.

Anyhow, under his leadership, and with the committee and staff working night and day, we drafted the committee bill. It is strictly home-made. It may have its faults, but it is an example of legislating by legislators instead of by experts from the departments. Far from "rubber-stamping" the administration proposals, we simply stamped on some of them. We weighed and considered all the suggestions that come to us from any source, but the final product is truly a committee bill.

Instead of the administration proposal, the committee bill provides:

First, ECA is to wind up June 30, 1952, as per schedule set by the Eightieth Congress.

Second, a new organization is created under a Mutual Security Administrator, with independent status, to be appointed by the President and confirmed by the Senate, along with his deputy. Some people say this amounts to creating a second Secretary of State, but they are wrong. We already have two Secretaries of State, two advisers on foreign affairs to the President, Secretary Acheson and Mr. Harriman, who has a growing office around him that numbers now about 19. So the new Administrator would at best or worst be only one of three. The administration feels that, for guidance on foreign affairs, two is company but three is a crowd. We did not follow this thinking.

I happen to look forward to the day when we will have all our nonmilitary foreign affairs concentrated in one foreign affairs department, whether it is called the State Department or not, instead of having 43 agencies involved in foreign affairs as we have at present, according to the Brookings Institution. But we can never do this under the State Department as presently constituted for two reasons: In the first place, they inherit the Hull tradition of not wanting to be an operating department. In the second place, the public does not want the present State Department to operate anything more.

In 1944 I offered an amendment putting the lend-lease administrator under the State Department. It was adopted by a teller vote. Secretary Hull's Assistant Secretary Acheson got busy and got the House to defeat the amendment on a roll call. I shall never vote again to put an operating agency under Mr. Acheson.

Third, we provided that, after his appointment, this new Administrator picks his own help. The present staff of these organizations cannot be blanketed in on him. We recognized that ECA has become just another agency, with the second team playing most of the positions. Practically no one except those connected with the present ECA and MDAP organizations praised their present administration. We did not want these 14,541 people forced on this new man. We even hope he can get along with less.

This personnel breakdown is as follows:

Agency	In United States	Overseas	Total
ECA.....	1,051	{ 11,264 2,011	4,326
MDAP.....	5,554	3,275	8,748
Point 4.....	619	3,194 848	1,407
Total.....	7,224	7,317	14,541

<sup>1</sup> United States.  
<sup>2</sup> Alien.

In 1948 we authorized ECA to obtain a limited number of personnel exempt from civil service at salaries ranging up to \$15,000, because we felt they needed high-grade men in a hurry. In July 1948 these superdupers numbered 10; in December 1948 they numbered 18. In April 1951, with their big job in Europe almost finished, the number of superdupers was 43. It is our hope that the new Administrator may be able to do the job with a few less than that.

Fourth, we provided that point 4 is to go out of the State Department and into the new organization. We hope this will avoid rivalry, duplication, and confusion between our various technical assistance programs.

Fifth, we provided that the mutual security program must be reviewed, both for authorization and appropriation, every year, and the whole thing terminates in 3 years, June 30, 1954.

We cut the amount \$651,250,000. We provided, by adopting three amendments I offered, that not less than 20 percent of economic aid, or about \$320,000,000 must be in loans, pay-back money, and not less than \$500,000,000 in counterpart funds from economic aid must be used exclusively for military production, and earmarked \$55,000,000, taking it out of title I to promote production over the world of strategic materials in which the United States is deficient. These three limitations on grant aid, or give-away money, amount to \$875,000,000.

Of course, we may still spend this amount, but the United States will be getting a very definite return in repayment or security. If we add to this the \$651,250,000 cut, the reduction in authorization of the kind of spending that was proposed would amount to \$1,526,250,000.

#### THE RIGHT AMOUNT?

That leaves \$6,322,500,000 authorized on the basis originally requested. Is that the right amount? I am not sure. I have told you what I thought of the hearings. As our committee report says on page 15, the country-by-country testimony was unsatisfactory, fragmentary, and secret. The whole basis for economic aid was on guess-estimates based on projected balances of payments, and we were given secret tables where we were informed plus means minus and minus means plus. You will find an explanation of these secret tables in the hearings. We never received, as in former years, a statement of what each country needed from the dollar area or what the ECA intended to do with the money. On their over-all nonsecret

figures, there were discrepancies. For instance, Mr. Richard M. Bissell, Jr., Deputy Administrator of ECA, in his estimate of increased dollar imports needed for Europe this year—a most important item—made three mistakes and finally wound up by saying “\$500,000,000 was a mistaken figure.” Look at the hearings on page 1267 and see what he really meant. I have not yet been able to find out.

In our committee report on page 15, there are estimates of eight to nine billion in proposed NATO defense budgets for the fiscal year 1952. What we did was simply to combine two separate estimates which we received, which were nearly \$1,000,000,000 apart.

General Scott, Director of the Office of Military Assistance in the Defense Department, could not bring himself around to answer what “excess” equipment the armed services expected to have on hand. Although he was asking authority to dispose of an additional \$450,000,000 of it—hearings, page 711. The answer was sent up 4 days later—hearings, page 702. General Scott gave us figures on shipments of military materials which were different from any we had received. We wanted to know how much stuff had gotten over there because the European nations have, perhaps justly, been discouraged because they hear of the vast appropriations by Congress, and do not see the stuff being shipped into Europe.

Only \$833,733,742 had been paid out of the Treasury for military aid up to June 30, 1951, out of \$5,794,300,000 appropriated for the purpose by Congress. We wanted to find out how much had been shipped. General Scott gave us figures that varied from what we had heard. Mr. O'Hara, Budget Officer of Foreign Programs, from the Defense Department, in order to straighten this out, said on July 20 that the amount of shipments for June was \$400,000,000—hearings, page 724. We found later that the correct figure was \$108,400,000. Here was a misguess of \$291,000,000 in 1 month's shipment. Time and again it was obvious that the witnesses either did not know or would not tell about their program. Although there were usually 12 to 20 departmental people in the hearing room, Army, Navy, Air Force, State Department, ECA, and so forth, we often could not get answers to simple, fundamental questions from anyone present. I, therefore, cannot defend all the details of this program. I do not think the committee amounts in the bill are sacred. On the other hand, I doubt whether anyone outside the committee here on the floor knows as much about the program as we do. I have noticed that it is always easier to cut a program you know nothing about. I think that we ought to go cautiously about cutting limitations in this authorization bill, and leave the Appropriations Committee a little work to do, when the program comes before them.

I do know this, however. Military assistance to those who will fight on our side in this struggle with communism is sound economy. In our big \$56,000,000,000 appropriation of last week, we had \$20,000,000,000 for the Army. We

have a ground force of 1,500,000 men. The \$7,800,000,000 program proposed in this bill together with what other nations will do for themselves will put 3,000,000 equipped men in the field. That means for about \$20,000,000,000 in round figures, we will get 1,500,000 American ground forces ready to fight, and for \$7,800,000,000 we will have 3,000,000 men of other nations overseas ready to fight for their country in our common struggle against the common foe.

Mr. Chairman, for 2 years I have kept asking myself about NATO, have they got a plan? A practical plan for defense against Russian aggression now and later? After hearing General Gruenther and the others, I believe they have a plan that will work. Have these other nations the will to fight? I think so. I know that without arms and without a plan, they will not fight. When we give them arms and a plan, we help to create the will to fight.

I know that economic aid for military production abroad is economy for us, compared to producing it all here and sending it over. If the French can make a bazooka out of \$15 worth of materials and it costs us \$75 to make one, we had better help them make bazookas for themselves.

I know that technical aid, if wisely planned, is action for making friends for America that is more effective than words about America over the radio or in print, and it is no more costly than the Voice of America program.

A lot of Members have been planning all year to balance their own voting budgets by voting against foreign aid. This may prove embarrassing. I remember a reversal of votes on military aid right after Korea. If an attack somewhere else occurs during the present year, another reversal of votes may be hard to explain. We need a foreign-aid program of the proper size to be effective. We cannot rely on other countries to fight communism without our help, and no one of you should rely on other Members of Congress to vote the necessary help.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Mississippi.

Mr. COLMER. I wanted to ask the gentleman a question a moment ago to clear up a point, but I did not get a chance. The gentleman from Pennsylvania [Mr. KELLEY] asked the chairman if there was anything in this bill that would require those countries over there, in substance, to raise their standard of living, to pay increased wages, and so on. Is there anything in this bill that would permit directives to be issued or strings tied to this that would require the economy of those recipient countries to pay better wages and improve conditions?

Mr. VORYS. No. We are up against the proposition that we are dealing with independent sovereign nations, and we can suggest and push and coax, or make conditions on our aid, but there are a lot of things that we cannot require. That is the situation we are in.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. RICHARDS. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. RIBICOFF].

Mr. RIBICOFF. Mr. Chairman, the blunt fact is that the United States no longer finds its own security within its own borders. This bill not only brings forcefully home to us that security is indivisible but that our responsibilities and problems as a Nation are here for a long stay. The strength and will of our allies and the aggressiveness of our foes are conditions that we must recognize. We must so act and conduct ourselves that all potential foes will realize that they cannot defeat us. This type of strength is the greatest deterrent to war. We should not underestimate ourselves nor allow the possible ending of the Korean conflict to lull us into slumberland about the prospects and needs of the immediate future.

We are dealing with a relentless and calculating foe, a foe which never lets up in the pursuit of its aims and which utilizes every fresh crisis as a screen to mask the next aggression.

When we headed off the Communist threat in Greece and Turkey and set in movement measures which ultimately became the North Atlantic Treaty organization, Russia, in order to prevent this consolidation, probed for new points of attack.

Only a short time ago American eyes were wholly fixed on Berlin where the magnificent airlift succeeded in breaking the Russian blockade of the German capital. Our concern over this impertinent misuse of Russian power blinded us to what was going on in China. When the Security Council finally settled the German crisis, we awoke to the fact that 400,000,000 Chinese were under Communist domination.

Since mid-1950 our country's attention has been focused upon Korea. The invasion of the southern portion of that peninsula by northern troops revealed our own plight. We found ourselves relatively defenseless and faced the urgent need of rearmament. With almost no hesitation, we sent armed forces to spearhead the United Nations forces to meet the unprecedented challenge. And what was Russia doing meanwhile? Using Chinese and other local armies, she absorbed Tibet, threatened Nepal, fanned rebellion in Burma, Siam, Malaya, Indonesia, and Indochina; while a Communist-led party in Iran threatens the whole Middle East.

Nor is this all. While Russia is our immediate enemy, the whole world balance is in a precarious state. The fact is that we are living, not in a moment of crisis, but in an age of crisis. During the last 50 year, there has hardly been a day without warfare—somewhere or other. Therefore we should adjust our minds to this and not regard the present situation as an interruption to our normal peaceful existence. We should live expecting crises, and be prepared to meet them.

We have a global problem on our hands. And it is heartening to know that—even belatedly—we are formulating a global policy to deal with it. Let

us count our successes where we can. The Kremlin has not entirely monopolized the initiative. Our own Congress has a considerable record of action behind it. A swift glance at all the steps we have already taken may embolden us to proceed even further.

Only 10 years ago the United States could be counted the world's hermit, many of us convinced that international affairs were none of our business. Today we have fashioned, or find ourselves parties to, nearly a dozen instruments of common defense.

First. We strengthened our relations with Canada and created the Organization of American States in our immediate hemisphere.

Second. We built the North Atlantic Treaty Organization. Greece, Turkey, West Germany, Yugoslavia, and Spain can be considered military associates.

Third. In the Far East we are preparing a pact with Japan.

Fourth. A watertight American-Philippine understanding.

Fifth. A unilateral promise to share the defense, along with Nationalist China, of the island of Formosa.

Sixth. Pacific security treaty with Australia and New Zealand, not yet signed or ratified.

Seventh. A sort of partnership in the United Nations guaranty to defend South Korea.

Eighth. In addition, the United States has approved the efforts of President Quirino, of the Philippines, to create an Asian defense pact with like-minded countries, such as Viet Nam, Siam, Burma, Free Malaya, India, Pakistan, and Indonesia, if they so choose.

Ninth. Furthermore, the United States is directly aiding the French Union—French and Viet Nameese together—to defend Indochina, is arming Siam, and would presumably assist the British in Malaya in case of outside attack.

This network of commitments and responsibilities has still not been entirely implemented. It is not yet militarily adequate. There remains plenty of work still to do, for it is more than ever evident that the U. S. S. R. can at any time or at any point around the globe launch an attack against some free country, either from within or from without, or from both. Most of us have come to know that danger to one is danger to all. Hence, there is urgent need for the present security bill.

Our Nation has to keep in mind always the peculiar position of the United States as the one great source of military, political, and economic strength for the entire free world.

Because of our geographical position and interests in both the Northern and Western Hemispheres and between the Atlantic and the Pacific, we must keep in balance our policies as to Europe, Asia, and the Americas. We cannot separate our world relations and responsibilities and treat them separately from one another. A commitment in one area must not be permitted to endanger our capacity to act in others.

We cannot unilaterally promise each nation and each segment of the globe that we will defend it without getting in

return its promise to help us when necessary. Since defense, moreover, is global in scale, we must have commitments from those with whom we are allied to help us in the other areas of the world.

The proposed bill is more truly reciprocal than many so-called reciprocal agreements. Section 508 of H. R. 5113 definitely sets out the conditions which we expect our allies to fulfill. These are not onerous. There is no reason why they should not be fulfilled in order to strengthen the security of the United States, the free world, and make possible the promotion and maintenance of world peace. Those countries receiving assistance in order to further military effort should have no objection to agreeing as follows:

First. Fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;

Second. Make, consistent with its political stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world; and

Third. Adopt all reasonable military, economic, and security measures which may be needed to develop its defense capacities and to insure the effective utilization of the economic and military assistance provided by the United States.

The same conditions should not be applied to those nations receiving only economic or technical assistance. However, I am sure that every such nation will not hesitate to assist in the security of the United States and the promotion of international understanding and good will, the maintenance of world peace, and eliminating causes of international tension.

This aid is not a gratuity. We should never forget how much we stand to benefit by it. We are not playing Santa Claus, or planning a crusade to save other peoples. We are saving ourselves by accepting the cold fact that it is better to defend our own territory as far away as possible.

This is surely more logical than postponing our defense until bombs begin dropping on Hartford, Detroit, or Washington.

First. The proposed bill aims first at building up military strength. Truce talks in Korea have proved once again that we can only successfully negotiate from strength. Any unpreparedness or weakness is an invitation to more aggression. If we want to sit down to talk with Stalin we have to hold a very strong hand.

Second. Secondly, the bill aims at organization not only of our productive might but that of Europe. Much of our aid to our associates will consist of matériel and training. We can turn out war goods somewhat better than they can, and General Eisenhower's efforts to create a unified European army with standardized weapons and equipment will lighten the task for our highly developed mass production. But in appropriating this great amount we should realize that dollars alone are no defense.

Unspent money will not increase our war potential. The sum we vote must be translated into tanks and planes and guns and men to use them before it can be considered effective. At the present time, in my judgment, we should be pushing our defense needs way ahead of our civilian needs, and we should be urging Europe to do the same. Time presses. We should aim at reaching our peak of production as soon as possible, not 2 years hence. Do not let us hide behind the excuse that existing models can be improved. Every model can always be bettered. But we cannot afford to be perfectionists; we need those guns now. Once we have them, when we feel relatively safe, then we can level off and begin to think about increasing civilian commodities.

Not to do this is to talk like a globalist, but to act as an isolationist. We know that our national security is bound up with the security of the rest of the world. Europe and Asia are both threatened. If they were attacked they could be overrun before our help—at its present rate of production—could get into the field. What we need is more strength in being.

While the United States once again becomes the arsenal of democracy, it would be sheer folly to overlook the millions of stalwart men who inhabit the still-free countries. Outside the United States is a pool of military power which, if we can but succeed in increasing its potential, will outmatch that of Russia and her satellites. Together with us, these peoples still wield almost 70 percent of the world's potential strength. This we should utilize, and make it real and actual.

We can buy abroad more defense for less money. European and Asian armies cost less per division than American. And European-made matériel can be produced for less, too. This bill, in its economic phases, encourages defense production abroad. In Asia, by giving arms to Indochinese, Siamese, and Japanese, we are creating local defense in areas where it is inadvisable to commit our own Armed Forces. We are preparing second-string teams to match the second-string teams of Stalin's satellites.

Third. Finally the present act aims at strengthening the will of our associates. It will be a powerful builder of morale.

One of our great problems is the exercise of wisdom and patience in bringing our allies along toward strength and at the same time making sure that they do not lose all independence of action through lack of will. All the present evidence is to the effect that this problem is on its way to solution.

I know that world leadership is none of our seeking. We did not want it. But we have accepted it, and we must cease dismaying those on whose help we have to count. A bill such as the one we are discussing—bringing together, as it does, our various foreign-aid programs—will dispel the doubts of those who should be our unwavering partners. The proposed aid is both military and economic.

It is necessary to spend on both levels, for we are forced to consider problems of international economic development even while we are primarily concerned with national security.

So far we have, in large part, concentrated on economic aid, and principally to Europe. There the Marshall plan goals have been substantially achieved, and we can count on intervention a success. This plan was not a purely altruistic undertaking. No country can afford to forget its own interests. We should be doing less than our duty if we overlooked ours. Our concern over Europe's recovery was not merely to rehabilitate these countries, but to restore to solvency our own very good customers.

We would indeed be blind if we failed to recognize the volatile awakening of the Asiatic peoples. The problems of the world's hunger, increased population, ignorance of agricultural production, the drive to economic nationalism, and the draining away of resources must be spurs to our action. These vast millions of people are a potential force which may be constructive or disruptive depending in large measure on how we handle not only the menace of Soviet imperialism but world cooperation and rehabilitation.

Now our economic aid is needed to develop living standards in Asia, again not as a humanitarian gesture—this is no dog-gooder scheme—but as a matter of sound business and national self-interest. Let us look at the facts.

There is a definite relationship of our national security to international development. The United States with 6 percent of the world's population, and 7 percent of the land area, before the last war produced one-third of the world's manufactured goods and one-third of the raw materials. This balance has been displaced so that today, while we produce 50 percent of the world's manufacturing capacity our raw material production still remains at one-third. Our present plans call for an increase of more than 20 percent of our manufacturing capacity by 1953. Where is the raw material to come from? We need raw materials to supply our expanding production. Seventy-three percent of strategic and critical materials such as copper, lead, zinc, tin, manganese, cobalt, nickel, bauxite, natural rubber, wool, and others come from the so-called underdeveloped areas. We depend on mutual cooperation for the very life of our Nation. So primitive are the methods used in agricultural and resource development throughout the world that the sources of supply are inefficient, insufficient, and expensive. If we can help them with improved methods and simple machinery in order to allow them to produce more skillfully we are serving our own ends by helping them and in so doing we do not have to fear the future competition of cheap labor. It is our labor which is cheap, not theirs. Production under our efficient technology so far outstrips that of the industrial beginner that we do not have to fear and hinder their development. In the Asian wheat fields and rice paddies it takes 20 men to do what

a single American farmer does so that their wheat costs much more in the world market than an American farmer's wheat.

And as we spread economic development through the world we shall be creating a vast body of consumers who will begin to take up the slack of some of our own prodigious output, if, and when, ultimately, peace comes. We must think of the voracious appetite of our own industrial plant. And we shall find, as we found in Europe decades ago that the more a continent develops itself industrially, the better a customer of ours it becomes. It is a comforting thought that we can contribute very definitely to the defeat of communism and at the same time provide a solution for a problem that is bound to plague us in the future.

The point 4 program will not only transform the economies of backward countries. It offers something concrete for America. It gives us opportunities for showing the peoples of Asia what Americans are really like, what our real intentions are. The insidious charges of capitalistic materialism will wither away once we show that under our free-enterprise system we are willing to work along with them, live with them on their level, get to know them as human beings. It will provide tasks—and glorious tasks for our young men and women. So many of them crave a creative outlet for youthful idealism, and would gladly dedicate a year or two in this service to civilization.

There are those who imagine that economic aid alone would have been enough to meet the threat of communism. But on this score we must reexamine our premises. Admittedly communism thrives on want and misery. But want and misery alone would never have brought us to the present sad pass. It is primarily the Red armies, not the exploited masses that have spread Communist tyranny. Raising living standards alone does not stop communism.

Furthermore, we should understand that in certain cases, and notably in Europe, economic aid can no longer raise standards unless there is military security as well. Runaway capital is not going to return to a house on fire. If brought back, it will not be invested. Men are not going to work hard for the sake of a future that, in view of the Red hordes poised on their frontier, they find it difficult to believe in.

At present, both in Europe and Asia, military security must bolster economic improvements. Ultimately both must come out of the increased productivity of these continents. A relatively small increase in the per capita output of European workers could bring an annual total production to a hundred billion dollars more than at present. Out of this extra hundred billion dollars Europe could not only raise the standard of ill-paid workers but could arm herself amply at the same time. Yet until this is accomplished, we shall have to fill some of the breach.

Gentlemen, it is said that we have no foreign policy; and sometimes our hesitations and apparent contradiction seem

to justify this view. Yet it is essentially false. Since 1946-47 we have developed one of the boldest foreign policies ever undertaken by any country.

Against an adversary aiming at world domination we have moved steadily toward world-wide defense. Not because of any global mania on the part of our leaders. But because we refused to see the world power balance shifted to our detriment, to a point where not only we should be compelled to succumb or fight, but where we could no longer be sure of final victory.

We have acted in sheer self defense.

Yet, in the long run no purely defensive policy is good enough to win with. We must aim not only at saving what is still ours to save, but at solidifying the doubtful areas and eventually liberating all those peoples upon whom outside communism has been imposed.

To succeed in this, we must not only accept and strengthen allies wherever they emerge, but we must set ourselves for the long hard pull at home. No matter how much we may kid ourselves—one thing is certain. We are not going to be able to do it cheaply or easily.

But material sacrifices alone are still not going to be enough. As a people we shall have to concentrate our attention, our energy, our genius, our capacity for free cooperation on the major task before us—and keep them there. We shall have to put the saving of our country and our freedom above all other pursuits and personal matters. Above all we must be prepared to persist, undeterred by small successes or failure, month after month, year after year, until we reach our goal.

That goal is not military victory. We seek to achieve our ends without any third world war. We seek a world that is no longer an armed camp living under the menace of atomic extinction. A world of material benefits, yes. But above all where the accomplishments of the spirit can flourish as never before.

Mr. Chairman, I would now like to take the time to answer some of the questions that have been raised so far in the debate on the rule and in the committee.

The first question I would like to answer is the one just raised by the distinguished gentleman from Mississippi [Mr. COLMER]. The Marshall plan has not resulted in raising the living standards of the average worker in the European countries. This is a potential disaster, it would seem to me, because there is not any sense in sending guns over to Europe if we end up finding Communists behind the guns instead of the people who dislike communism.

I do not agree with the gentleman from Ohio [Mr. VORYS] that this bill does not allow something to be done in the economic field. Section 508-3 of this bill specifically provides that those countries enter into agreements with the United States in which they provide to adopt all reasonable military, economic, and security measures which may be needed to develop its defense activities and to insure effective utilization of the economic and military assistance provided by the United States.

It would seem to me, I would say to the gentleman, that if you break down the spirit and the will of the great masses of people all over the world, you are hurting the military efforts of this program and hurting the security of the United States. I think the time has arrived to put some mutuality into this program and to make sure that these European countries undertake some tax reforms, that they undertake to reform some of their wage schedules, to make sure that some of the funds we are giving trickles down to the great masses of people in Europe, and to try to see that their living standards are not completely snowed under by the steam roller of military production. I think, I would say to the gentleman, that that is provided in section 508-3 of this bill.

Mr. COLMER. I appreciate the gentleman's answering that question, but do I understand now that under this bill the Administrator can tie strings to these loans, grants, or whatever they may be called, that will require those people of those countries to handle their economy any differently from what they want to?

Mr. RIBICOFF. There seems to be some misunderstanding concerning the nature and purposes of the recently announced production assistance drive which ECA is starting in Europe. Specifically, it is reported that some people are concerned that ECA is proposing to interfere in an unwarranted manner in the domestic affairs of the European countries by trying to force private concerns to raise wages, whether or not their financial position could support the increased charges.

This sort of action is not at all what ECA has in mind. What they are proposing to do is, through a stepped-up technical-assistance program, to make a greatly intensified attack on low productivity and inefficient methods in the participating countries. ECA's experience in Europe has indicated that there are great potentialities in this area which, if properly developed, can bring about a very substantial increase in total production. If these potentialities can be realized, the increased production will materially strengthen the economic base of the participating countries. This would enable them to carry more readily the increased military burdens they are assuming and to do so without a serious decline in the standards of living of their people, which would increase the danger of internal Communist subversion.

It is important that the benefits flowing from this program be spread as widely as possible so that the increased production and efficiency will produce not only higher profits for owners of business, but also higher wages for workers and lower prices for consumers. This is especially true because one of the great weaknesses in certain of the European countries has been the fact that high prices and low wages place many of the lower-income groups in very difficult circumstances and thus make them highly susceptible to Communist propaganda.

ECA is, therefore, working in cooperation with the governments, management, and labor in the participating

countries to attempt to achieve both higher production and greater efficiency and also an adequate spreading of the benefits which will flow from this program.

Mr. COLMER. I appreciate that and I do not want to take too much of the gentleman's time, and he is very generous about it, but does the gentleman think that we should pursue that policy of telling these people how they have got to manage their economy?

Mr. RIBICOFF. To a certain extent, yes; and I will give the gentleman an example.

Mr. COLMER. Then, do we not lay ourselves liable to the same charges that we make against the Communists, against the Socialists, and others?

Mr. RIBICOFF. I do not think so, I may say to the gentleman.

Mr. COLMER. I think it is a very wrong policy.

Mr. RIBICOFF. Permit me to point out that the Bell report came out last year indicating the almost complete economic and financial disintegration of the Philippine economy. The United States is vitally interested in keeping the Philippines a going concern. Because of our great responsibility in the Philippines we are pledged, and we have agreed, to give substantial aid and will in the future. But because of the disintegration of their fiscal policy, their economic policy, their tax policy, the Philippines were about ready to disintegrate. The Bell Commission conducted a study, and made certain recommendations. That does not mean holding a club over these nations, but we are telling them that we can expect and do expect that if the taxpayers of the United States pay out of their taxes and our funds enough money to get these programs going, the least we can expect is certain tax reforms to make sure that those nations which are able will agree to pay their fair share of keeping the military and economic policies of those nations going.

It is not a question of telling a nation what type of government it has got to have; because I will be frank with the gentleman, we contemplate in this bill helping every conceivable type of government. You have Tito in Yugoslavia, a Communist at one end of the line, and you have Franco of Spain at the other; in between you have Socialist England, you have monarchies, you have democracies, you have Socialistic governments. The United States has got to recognize these diversities all over the world. It is not a question of telling a nation what kind of government it has to have, but an expectation that they will undertake reasonable means to make sure that they have a viable, going government that will keep their own nation on an even keel while they are building up their own defenses—and the security of the United States too.

Mr. COLMER. One more question, if the gentleman will permit, on that point: Specifically, the gentleman from Pennsylvania was interested in knowing, as I got it, whether there were to be wage reforms, and so forth; and I got the impression from the chairman's answer

that there were. I make the point, whether rightly or wrongly, that this country has no right to tell these other countries how they shall manage their economy; and to do so we lay ourselves liable to all kinds of charges of dictatorship, and imperialism, and what have you.

Mr. RIBICOFF. I may say to the gentleman, and anyone who has studied the subject will tell him the same, that this country will continue to exercise its responsibilities in a nonimperialistic way in one of complete cooperation and agreement for the benefit of all concerned.

I would say to the gentleman as long as I have sufficient time, and if more is yielded to me, I would like to explain various phases of this bill where questions have been raised and there were a number of questions.

Mr. MEADER. Mr. Chairman, if the gentleman will yield, I wanted to ask a question at this point.

Mr. RIBICOFF. Suppose I try to conclude with some of the other questions first and then I will come back to the gentleman from Michigan and take up his question.

Mr. GROSS. Mr. Chairman, will the gentleman yield for a question on this very point?

Mr. RIBICOFF. No, because I have just refused to yield to the gentleman from Michigan. I will yield to the gentleman from Iowa later if I have time.

A question has been raised about section 513, the functions of the Secretary of State. It was said that you, meaning the Foreign Affairs Committee, have set up an administrator. Why section 513 where you say that—

Nothing contained in this act shall be construed to infringe upon the powers or functions of the Secretary of State.

I say to the membership of the House that section 513 cannot be read by itself. Turn to section 503 of the bill, which sets up the principle that we are operating a coordinate system. This bill puts certain duties on the Secretary of State, the Secretary of Defense and the Administrator. I think that all of us in this House are responsible enough individuals to realize that when we are talking today about great principles and setting up an organization to handle them you cannot interpret it in the text of the personality of a Secretary of State that you may or may not like.

We are today passing a basic law that will apply to a President in 1952, whether he be Democrat or Republican, we are passing a law that applies to a Secretary of State, whether he be Dean Acheson or any other successor in the future. We certainly have a responsibility as Members of this House not to take out personal spite or personal spleen against an individual on basic policy.

Basically and legally the Secretary of State of the United States is responsible for the foreign policy under the direction of the President of the United States. Certainly in setting up an administrator here, we have no right to impinge or infringe the duties of the

Secretary of State. This act setting up the Administrator provides that in the field of foreign policy, if there is any question of difference between the Secretary of Defense, the Secretary of State or the new Administrator, it then becomes most important that that question be decided by the President of the United States who has the duty to carry out the foreign policy of the United States.

A question has been raised also about the matter of \$85,000,000 approximately for point 4, the statement being made that this is "do good" money, this is money that goes down the sewer, this is money that brings back no returns whatsoever. But strange as it may seem, the so-called point 4, to those who like to value themselves as hardheaded, practical men, eventually may be one of the most important parts of our American policy.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. MANSFIELD. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. RIBICOFF. Mr. Chairman, let me explain why. You know the time may very well come soon that the United States in the wealth of its productive capacity might find itself drowned in the production of its own goods. Before World War II the United States produced one-third of the industrial production of the world and one-third of the raw materials of the world. At the present time, the United States produces 50 percent of the industrial production of the world and still one-third of the raw materials of the world.

It is proposed under our basic scheme of production that that even be increased 20 percent. To realize what an increase of the present productive capacity of the United States would be if increased 20 percent, take an example. England, a great industrial nation from its inception until today, its entire productive capacity, out of the lines of the factories of England, is not the equivalent of what a 20-percent increase would be in the productive capacity of the United States by 1953. This great industrial machine of the United States at the present time gets 73 percent of its critical materials from abroad. What is going to feed the pipelines of American industry? Where are we going to get the difference in lag between that one-third in our raw material supply to a question of approximately 60 percent of the world production of industrial goods? The only place you can get it is by making sure that the backward areas of the world are so developed that they will produce the raw materials that will come in to feed the industrial machine of America, and also by raising the living standards all over the world we make it possible to have customers who can buy the production of the United States. If peace should come, the United States may find itself with approximately \$60,000,000,000 of excess productive capacity, and those of you who are the hardheaded men and who want to figure this thing out for the benefit of the United States keep that in mind, because that question is here, and the United States is no

longer completely independent from other sections of the world.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Michigan.

Mr. MEADER. In connection with the inquiry of the gentleman from Mississippi [Mr. COLMER], I was reminded of the articles which appeared in the press recently that certain individuals in ECA are planning to establish an international reconstruction finance corporation to make direct loans to business enterprises in foreign countries, and that they propose to attach as strings to those loans, first, that the profits of those concerns shall be kept low and, second, that the wages of those concerns shall be kept high. I wonder if the gentleman could inform us whether there is any responsible thinking in that direction in the ECA or whether that kind of a program, if it is in the minds of persons in the ECA, would be possible under this bill.

Mr. RIBICOFF. I will say this: I do not recall any testimony along that line before our committee. If it was presented, I might have been absent, but I think I attended those hearings faithfully and regularly. I read the same article that the gentleman read in the New York Times.

I would say this: The gentleman from Ohio [Mr. VORYS] wrote an amendment in his bill requiring that 20 percent or approximately \$320,000,000 of the economic aid would go in the way of loans. Now, I suppose if those loans were made, they would be made on the basis with some strings attached and I, for one, would hope there would be some strings attached because the hearings disclose, and I think the gentleman from Massachusetts [Mr. HERTER], who was over there with the subcommittee and studied the question of the economic restrictions and the choking of the industrial machinery of France and the European countries, will explain it to the House. What most Members do not realize is that capitalism as we know it in the United States is unknown to most other countries in the world. Capitalism in the United States is a responsible capitalism. Capitalism in the United States goes by the philosophy to produce as much as you can at a small profit and pass it along in increased productive consumption all over the United States and in high wages to bring back a fair return, a fair wage, and fair profits to all our people.

But in all European countries the philosophy is different. It is a philosophy of scarcity; it is a philosophy to produce as little as you can, at as high profits as you can, and the devil may take the great mass of the people in the nation, and the devil may take their nation, and the devil may take anyone except the entrepreneur who is running on an antiquated philosophy of a capitalism that we in the United States have rejected long, long ago. I, for one, would hope that such conditions were attached to make sure that these people revise their own standards because I am a great believer in the capitalistic system as run in the United States. If we had

responsible capitalism in every nation in the world, and in Europe—and do not worry about the label—we would have the greatest “stopper” to communism that has ever been conceived because Marx, in his Manifesto, when writing about capitalism, could not conceive of American capitalism developed on the American model. United States capitalism has brought great benefit to all mankind and great benefits to the people of this country. Communism could not hope to bring the equal and if we could get some of our philosophy across to the Europeans, it would redound to the benefit not only of the United States but to the entire world.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Iowa.

Mr. GROSS. I believe the gentleman said that this bill provides for economic assistance to Yugoslavia and Spain.

Mr. RIBICOFF. The bill is broad enough to encompass that. The bill does not provide for specific items of aid to any particular country except with respect to the Palestine refugee problem and the Israeli refugee problem. Outside of that the sums are en bloc to certain areas where the aid can be given to certain areas, but they are not specific.

Mr. GROSS. It is contemplated money will be spent in those countries; is it not?

Mr. RIBICOFF. I would answer the gentleman in the affirmative.

Mr. GROSS. Yet we find on page 25 language designed to say that there shall be greater freedom and justice, land reforms, and tax reforms, I believe the gentleman mentioned a moment ago. What I am wondering is, just how contradictory can you get.

Mr. RIBICOFF. I do not think there is any contradiction. This has to do with military assistance, to further the military and economic security measures. I do not think there is anything inconsistent in those provisions at all. I do not think the United States is going to try to change the system of government of any nation in Europe or in Asia.

Mr. GROSS. I do not think we should, either, but I think there should be mandatory language in a bill of this kind, where we are giving cash to these countries, that they be compelled to raise the standard of living in those countries. I do not think you can do it through tyrannical dictatorships, the form of government such as you have in Yugoslavia.

Mr. RIBICOFF. In the field of dealing with sovereign states the word “compel” is a word that would hurt and not help. I am hoping that with these conditions in here there can be some discretion on working this out on the basis of mutuality.

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Alabama.

Mr. ELLIOTT. I believe that the gentleman stated that this bill contains an authorization for \$85,000,000 for the point 4 program for the next year. How much money did we actually spend last year on the point 4 program?

Mr. RIBICOFF. Last year we authorized about \$34,000,000, approximately, and I believe that amount was spent. The gentleman will not find the \$85,000,000 segregated in this bill, but throughout the bill in the economic assistance for the different areas. The amount to be spent in the so-called point 4 program totals \$85,256,000, which, in my opinion, is one of the best investments the United States could possibly make.

Mr. ELLIOTT. I want to ask the gentleman a question about that. Has the experience we have had in the first year, or whatever period we have operated point 4, been fruitful of good returns to our country, in the gentleman's opinion?

Mr. RIBICOFF. I would say absolutely. I would commend to the gentleman the reading in the record of the testimony of Dr. Bennett, who is, I would say, one of the outstanding Americans, former president of the Oklahoma Agricultural and Mechanical College. His testimony goes completely into the entire point 4 program. Dr. Bennett was a breath of fresh air. The benefits that have come from that program are so amazing for the cost that is invested that it would make you proud that there are Dr. Bennetts in the United States who are undertaking this program with enthusiasm and cooperation.

Mr. MANSFIELD. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois [Mr. GORDON] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. GORDON. Mr. Chairman, I rise in full support of H. R. 5113, the mutual security program for 1952. Generals Eisenhower, Marshall, Bradley, and Gruenther—all of them great soldiers and leaders—consider this program as part and parcel of the national defense program of the United States. I concur wholeheartedly in that view.

I had the privilege of serving on the congressional study group, made up of members of the Foreign Affairs, Armed Services and Appropriations Committees, who visited Europe last June at the request of the Department of Defense in connection with our consideration of the mutual security program. I think I am safe in stating that every member of the 18-man study group was thoroughly impressed with what he saw. I remember so clearly General Eisenhower's words: “Gentlemen, it is this or else,” and I recall so vividly the determined expression on his face when he spoke these words. Everywhere we went, it was so obvious that our partners in the North Atlantic Treaty were looking to the United States for leadership. We have supplied that leadership in the past, and we must supply the greater measure of leadership which is provided for in this bill. If we fail our partners, it will mean the end of free Europe as we know it, but more than that, it might well mean the end of the United States as we know it. That tragedy must be avoided.

Together with the free world, we face the greatest menace ever confronted by

civilized mankind. There is no need to elaborate upon it. We are all aware of it, although our methods in meeting the menace may vary among the membership of the House. The Soviet threat is directed at all areas of the world. But, let us remember this—it is especially aimed at the United States. The Soviet rulers are thoroughly aware of our great industrial capacity. They would like nothing better than the chance to destroy that capacity—and our way of life. The best means of preserving our strength and using our capacity to maximum effectiveness is to combine with our friends in collective security. This we have done in the Rio Pact with our Latin American neighbors, and in the North Atlantic Treaty with our friends in the North Atlantic area. Next to our own, Western Europe has the greatest industrial potential in the world. Should it fall into the clutches of Soviet imperialism, the target—the United States—would be that much easier to shoot at. Latin America, too, is an area vital to our own security. Our situation would be desperate should it fall under communism. The same is true of the Far East and the Near and Middle East. It is, then, unwise and against our own vital interests to rely solely on our own strength and to bury our heads in the sand like an ostrich. The Mutual Security Act of 1951 proposed in this bill integrates our programs of military, economic, and point 4 assistance to free nations everywhere as a bulwark against the threat of Soviet aggression and subversion. The threat of Soviet aggression and subversion is an ever-present danger. The goal of the Kremlin—world domination—does not change. It is only the tactic that changes. Whatever the Kremlin does is calculated, and deliberately follows a timetable. The Kremlin has been very skillful in setting its own timetable and moving only when it considers it advantageous to do so. It is the objective of this bill to make it exceedingly difficult, if not impossible, for Soviet aggression to set its own timetable, or to shatter that timetable should the Soviets attack.

We on the Committee on Foreign Affairs have given this bill a thorough going over. In addition to the valuable information we obtained in Europe, we had before us the benefit and advice of the top officials in our Government, both from the executive branch and the Congress. Men like Nelson Rockefeller, Paul Hoffman, Tracy Voorhees, and many other public-spirited private citizens, following distinguished public careers, sat down with us in committee to discuss the program from beginning to end. We owe them a debt of gratitude for their devotion and civic service. But I wish to emphasize this particularly—the contribution and hard work, so typical of the House, which my distinguished colleagues on the Foreign Affairs Committee, under the great chairmanship of the gentleman from South Carolina, Hon. JAMES P. RICHARDS, have exerted on this bill is worthy of the highest traditions of the Congress.

We have sought in this bill to present what we consider a minimum program. It is not a maximum by any means.

General Eisenhower has stressed the necessity for providing our allies with sorely needed military equipment to furnish the collective security forces with the items essentially needed. Most of these items they could probably produce themselves. But they cannot gear their recuperating economies to a military productive effort in time. And time is of the essence. We must take advantage of that time according to our availabilities. They must take advantage of that time according to their availabilities. It is not a case of comparing their effort with our effort. The true yardstick is how they are making use of their availabilities and capacity. To me the come-back of free Europe, thanks to such programs as Greek-Turkish aid, the Marshall plan and mutual defense assistance, is almost miraculous. We must not strain their economies to a point where the internal forces of subversion could capitalize on poor economic, social and labor conditions. That would defeat the very objective of the mutual security program. This point was emphasized by General Eisenhower in no uncertain terms.

The bill before us is worthy of a great Nation. It is worthy of this House and the Congress. And it will serve the worthiest cause of all—peace.

Mr. VORYS. Mr. Chairman, I yield 20 minutes to the gentleman from Wisconsin [Mr. SMITH].

Mr. SMITH of Wisconsin. Mr. Chairman, I want to say at the outset that I join with my colleague from Ohio [Mr. VORYS] in commending the chairman for his handling of this bill in the committee, and also the staff, which worked night and day in getting this legislation ready.

I am in disagreement with the committee on the underlying philosophy of the legislation. It is my position, very broadly speaking, that this program has in no way stopped the spread of communism and any further authorization as provided in this bill is a waste of the taxpayers' money.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield.

Mr. NICHOLSON. Has the committee considered where this money is going to come from that is going to take care of this proposition?

Mr. SMITH of Wisconsin. That matter is not considered, of course. In our committee, we are not concerned with where the money is coming from, unfortunately.

Mr. Chairman, I think the time allowed for general debate on this matter is rather limited—too limited. The amount authorized is practically the same as that which is provided in the tax bill, which the House passed and which the House Committee on Ways and Means labored over for 3 months, and which the Senate committee is now laboring over in the same way. Yet, we come here and with 4 hours of general debate, we are going to spend that whole amount. It is unfortunate by our action on this bill we shall spend all the tax money that we will raise under the tax measure, still to be enacted into law.

Mr. Chairman, for 6 years our foreign policy has been to buy our way to world power and prestige. Having failed in that approach we now prepare to shoot our way to that position. The struggle between Russia and the United States is for a balance of power in this troubled and confused world but our leaders lack the courage to be forthright and tell the American people that this is the fact.

Make no mistake, this is primarily a military bill. Many who believe it is necessary to prepare the defenses of Europe against possible Russian attack will vote for it but will also vote to strike out economic aid. It is my view that both programs have not been fully justified as to amounts. Both can stand deeper cuts without injury to the objectives sought. Other titles in the bill are minor ones but deserve careful examination.

Mr. Chairman, enthusiastic partisans of foreign policy in 1948 reached for the Marshall plan as a muskie in Wisconsin strikes at a lure. "Provide the war-wrecked countries with money and raw materials and they will then defend themselves against Russian expansion," they said. Thus the Economic Cooperation Act of 1948 was established. It was to relieve human suffering and initiate the task of reconstruction. There was the prayerful hope that it would succeed. Since the act of 1948, the United States has appropriated about \$11,000,000,000 for expenditures and credits and the Secretary of State recently said that \$25,000,000,000 more would be needed in the next few years and that was only a guess.

Almost 4 years have passed and it is obvious that the promises made by the advocates of globaloney spending or the Give America Away Society have not been fulfilled. Western European countries have made a remarkable recovery. Productivity is at least 40 percent above prewar 1938. While this fine come-back was being achieved in Europe, the American taxpayer was dumping \$25,000,000,000 into the effort also. This huge sum was contributed over a period of 5 years from July 1, 1945, to June 30, 1950. Yet, the threat of communism is so great today that we are forced to rearm all of the nations in the North Atlantic Treaty Organization. Every propaganda agency in government is engaged in a campaign to create a fear complex in this country, in the Hitler manner. This European rearmament program is a confession of failure; it is an admission that economic aid has not achieved the results promised under the Marshall scheme. The facts are obvious to all who are interested. There is not one scintilla of evidence to indicate that Russia is about to start a war. It exists only in the minds of the propagandists. "There is no immediate threat of war," General Eisenhower said recently. But our foreign policy having failed, the Army is called upon to bail out the State Department.

In justification of continued spending, it is alleged that communism is being contained. What are the facts, very briefly? In the last general election in France, the Communists polled

one out of every four votes. The United States News and World Report states that this represents a slight drop of 6 percentage points in the total of Communist votes cast in the previous general election. It is as if 12,000,000 American voters were voting Communist. Yet in 5 years the United States has spent \$4,000,000,000 in France to discourage communism. In spite of increased productivity, industrially and agriculturally, the largest single voting group in France is the Communist Party.

The situation in Italy is much worse. There we contributed more than \$2,000,000,000 over the same period and for the same purpose that we did in France, to stop the spread of communism. Did it work? No. Actually the Communist vote increased. It is as if 20,000,000 American voters were voting Communist.

In England, Britain's foreign policy is under attack by Bevan, left-wing labor leader. He charges that the job for the British is to restrain America, not Russia. Can you beat that? His group is opposed to the development of air bases in England. Have we made friends and is there the will to fight? I did not find it in our recent trip. How much dependence can we place upon the strength of nations whose armies, government, diplomatic machinery, unions and industries that are infested with Communists and sympathizers? I ask the proponents of this legislation to answer that question before this debate is concluded.

I remind you that the objectives of the Marshall plan were to reconstruct and rehabilitate the war-damaged economies of the Western European nations and to attain political and economic integration as well. Only one goal, has in a measure been achieved, the reconstruction of the industrial machine. I repeat, only in a measure, for while productivity is above prewar, the human beings engaged in industry and business have not shared in it. More about that later. I doubt that anyone will assert that political and economic integration has been achieved in the European community. The fact is that as the several nations become more prosperous, nationalism has increased; each desired to become self-sufficient and was more assertive of its own sovereignty and the maintenance of it.

So where do we stand today? My concern is not with the details of this legislation but with its policies. Are we embarked upon a program that must lead to war—sooner or later? Is our action belligerent and arrogant? Is the fate of western civilization dependent upon us? Russia knows and we must know too that in this atomic age neither side will win the next global war.

There is one inescapable fact as I see the development of our foreign policies which aims to contain communism. It is that Communist ideology cannot be stopped by guns, bullets, planes or bombs anymore than you can stop the spread of Christianity in that manner. We are not getting at the source of the infection; we are merely cutting away the growth.

The evil of our times is political instability; it is the source of infection which makes communism possible; and we ignore it. Communism has extended its power since 1945 beyond the Kremlin's fondest hopes and without firing a shot. Its appeal is to the great mass of people who want bread, who want peace, who want no war.

In the scattering of our billions of dollars all over the world we have not been concerned with the welfare of people, we have been zealous to maintain the status quo by supporting existing governments. Eleven billions of dollars spent in Europe since 1945 has not raised the standard of living of the British, French or Italians to any appreciable degree. In France the national income per capita for 1951 was \$542; in the United Kingdom—Britain—it was \$631, and in Italy it was \$286. Is it any wonder that people in Europe shrug their shoulders and say, "What difference does it make what form of government we live under?"

The increased productivity—40 percent above prewar—has not been shared with the people as I said before and in the legislation before us, no effort is being made to correct that deplorable situation. Inflation and meager wages and salaries are vital factors in the spread of communism and no amount of military defense can stop it. Why do not we do something about it?

Bankrupt Socialist governments which we support with our hard-earned dollars are a burden and a handicap to the people in Europe. They offer no hope for the people. Governments have destroyed individual initiative; they have taxed away incentives, except for the select elite. Given the opportunity people can and will solve their own problems—human nature is that way. This legislation offers no hope to free people. Freedom to work and share in the fruits of our labor was our heritage under a Government that permitted freedom of enterprise.

Nobel prize winner William Faulkner said recently that world governments are "using fear to rob man of his individuality and of his soul."

Our danger is the forces in the world today which are trying to use man's fear to rob him of his individuality, his soul, trying to reduce him to an unthinking mass by fear and bribery—giving him free food which he has not earned, easy and valueless money which he has not worked for.

The economies or ideologies or political systems, Communist or Socialist or Democratic, whatever they wish to call themselves; the tyrants and the politicians, American or European, or Asiatic, whatever they call themselves, who would reduce man to one obedient mass for their own aggrandizement and power, or because they themselves are baffled and afraid, afraid of, or incapable of, believing in man's capacity for courage and endurance and sacrifice.

That is what we must resist if we are to change the world for man's peace and security.

Mr. Chairman, that is the objective we should be seeking in this legislation. But we are not.

We have no right under the pretext of our national security to be forcing the

people of Europe to rearm. Actually we are insisting that they do so and this is arrogant conduct. The gigantic military program now proposed will further depress the standard of living and in addition invite possible attack by Russia. This is a ghastly and dangerous business for Europeans and Americans alike. Eventually the problem must be resolved from within each country under the kind of government that we can encourage where individual initiative and enterprise prevails. The struggle may be a long and arduous one but the more this Government administers opiates in the form of military and financial subsidies the more difficult will be the task. The job we have to do, as I see it, is to insist upon political stability as a condition for any further aid. This is of prime importance to the free world.

The policy of getting tough with Russia and the Truman policy of containing communism are about to become obsolete, in the opinion of some political writers. Toughness between equals becomes a two-way street—containment is a matter of choice for the one to be contained. Hans J. Morgenthau, in his book, *In Defense of the National Interest*, says:

The unilateral application of pressure as the sole means of achieving our objectives has become impossible, which is another way of saying that the period of the cold war has come to an end. The atomic flash somewhere in Asiatic Russia ended the twilight state between peace and war in which we have been drifting. From now on it will be either peace or war.

The great imperative need in this hour of dismay and confusion is for our leaders to be honest and forthright with the people. To say that our policy is to contain communism and thereby justify the expenditure of funds for economic and military purposes is less than honest. The real struggle between the free world and Russia is for power—political and economic power in the world. The United States of America is being challenged by the U. S. S. R. and the stakes are high. Germany can well be the place where the showdown will occur; it is in the "heartland" of Europe. But our leaders pussy-foot when it comes to telling the truth about that situation. Who wins Germany wins the fight to save free people from the despotism of Soviet slavery.

Our leaders would have us believe that in the United Nations lies our security that it must finally bring peace to the world under law. Despite all theories of collective security and international action against aggressors, going to war is still something that must be justified to the people who do the paying, the fighting, and the dying as a sacrifice demanded by the national interest. And so long as this is true, the United Nations organization can serve only a very limited purpose. We are living in a power-hungry world. This grasping for power by the Soviet Union and the United States has not yet reached its climax, and with the feverish haste to rearm, war cannot be far away.

Weak, vacillating policies in Asia and Europe have undermined our Govern-

ment. Other people have lost confidence in us; they question our motives. Pearl Buck, in a recent article said that Americans should accept the fact that we are the most hated people in the world. Our diplomacy has failed, our politicians have scotched military victories. Yet once more we are asked to support these same leaders with our dollars and our sons. Passage of the present bill is a confession of failure for it means there is but one course open to us—that of war. The traditional and historical methods of diplomacy have been avoided. This is the disheartening fact. The people have been fooled. Now they are confused, and they pray for sound and honest leadership.

Morgenthau in his book to which I have referred, makes this indictment against our leadership in words beyond my powers to express it. Speaking to our leaders, he says:

You have deceived once; now you must deceive again, for to tell the truth would be to admit to have deceived. If your better judgment leads you near the road of rational policy, your critics will raise the ghost of your own deception, convict you out of your own mouth as appeaser and traitor and stop you in your tracks.

You have falsified the real issue between the United States and the Soviet Union into a holy crusade to stamp out Bolshevism everywhere on earth, for this seemed a good way of arousing the public; now you must act as though you meant it.

You have told the people that American power has no limits, for flattery of the people is good politics; now you must act as though you meant it.

Your own shouts mingled with the outcries of the opposition have befuddled your mind; now you wonder whether you are fighting Russian imperialism or trying to obliterate communism; whether you want to defend Europe by sending troops or by creating a deterrent of a strong United States; whether you want to stay in Korea or get out; whether Formosa is vital for our security or might become a liability.

Instead of leading public opinion on the steady course that reason dictates you will trail beyond it on the zig zag path of passion and prejudice. You will meet popular opinion not at a point still compatible with the national interest, but rather where, regardless of the national interest, a deceived populace will support policies fashioned in the image of its own prejudices.

Where a knowing, prudent, and determined government would endeavor to raise the people to the level of its own understanding, an ignorant, improvident, and weak government will follow its own propaganda to that low level where misinformed passion dwells. You will become in spite of your own better self the views not of what is noble, wise, and strong in the nation, but what is vulgar, blind, and weak.

Mr. Chairman, the Quakers, who never give up their fight for peace, assert that the basic concept of American foreign policy must be freedom for all men, a decent standard of living, peace, and security. Is our present foreign policy leading us to those objectives? The Quakers' answer is, emphatically "No." They charge that the record of the United States in Asia and Europe has been to convince the common people there that our primary purpose is to prepare for a coming war with Russia, that there is

no longer any belief that our declarations of high principle are more than a respectable front for our aims in a power struggle.

The Quakers reject the principle this legislation approves, namely, that peace and national security can and will emerge from an arms race or that our problems can be solved by dropping A-bombs.

Mr. Chairman, we are on the road to national suicide; we are dissipating our human and natural resources at a terrific rate; we are scattering our shots ineffectively all over the world; we are on the road to national bankruptcy; we are taxing to the point of diminishing return and the people of this country are demanding that we stop these reckless policies that are obvious in this bill.

Mr. Chairman, the time is now for this Congress to make foreign policy to the end that we will help people everywhere to higher and better standards of living, then we can defeat communism and in no other way.

Mr. VORYS. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ANGELL].

FOREIGN AID—CAN THE UNITED STATES CONTINUE TO FINANCE THE WORLD?

Mr. ANGELL. Mr. Chairman, we have before us H. R. 5113, which calls for the expenditure of \$7,848,750,000 in the next fiscal year for foreign aid. It is my information that Secretary Acheson in testifying before a congressional committee recently stated that in the next 3 years the United States would be called upon to spend \$25,000,000,000 in foreign aid.

Those of us in the Congress who are responsible for putting the O. K. on these expenditures are aroused over the program of this administration for foreign expenditures which, in the judgment of most economists, is reaching the breaking point. The United States alone cannot feed the world, neither can it finance its economic or military operations.

In order that my position may not be misunderstood, I want to say that I have supported all legislation for appropriations for national defense, believing that we should keep our Nation militarily strong to enable us to defend our country against any attack. Thus far I have also voted for foreign aid.

I also favor a pay-as-you-go policy and am opposed to deficit spending and believe that we should not saddle the debts of one generation upon a succeeding generation except in cases of great emergency. I feel that this Nation cannot feed, finance, and arm all the world outside the iron curtain and for that reason it behooves us to reappraise our resources and financial ability and make drastic reductions in Government expenses, particularly in all programs for overseas expenditures where the same are not absolutely essential. The time has come to give some consideration to our own people. We are providing finances for public works of all types, river and harbor improvements, flood

control, hydroelectric development, waterworks, public buildings, and a myriad of other public improvements overseas while we are drastically curtailing similar improvements here at home which are vitally needed for our own economy.

I believe the time has come to use some of these billions of dollars we have been spreading around the world for the development of our own economy and the protection of our people here at home. The American taxpayer is being bled white. There are millions of our old people and low-income groups who are finding it difficult to make ends meet and keep the wolf from the door with the meager incomes they are receiving and the swollen prices under inflation for the necessities of life.

Many of the European nations to which we are furnishing substantial foreign aid are in a better economic

condition than is the United States. Many of them have an over-all per capita indebtedness less than ours and they are able to balance their budgets whereas we have been operating in the red almost continuously since 1932. The total expenditures of this Government have reached such staggering proportions that we are brought to the realization that a break must be put on our spending if our financial structure is to be held intact. The late President Roosevelt said in an early campaign that any nation, like any individual who continually spends more than it receives, was headed for the poorhouse and bankruptcy. How ominous those words are when we consider what has been spent by the Roosevelt and Truman administrations since the words were uttered. The following tabulation vividly expresses in dollars this startling expense program:

Period	Receipts	Expenditures	Debt
All Presidents to 1933.....	\$91,586,076,130	\$112,203,367,065	\$22,538,672,154
Roosevelt administration, fiscal 1934 to 1945.....	165,790,825,357	372,235,200,271	259,115,345,802
Truman administration, fiscal 1946 to 1951.....	256,626,307,445	266,007,122,624	268,000,000,000

Many of us in the Congress are wondering why Americans are called upon for \$45,000,000,000 in arms while Europe can scrape up less than eight billions. The administration forces now tell us we must arm all of Western Europe, yet Europe is in the center of the war danger zone and sitting on the powder keg. The nine nations allied in the North Atlantic group have 175,000,000 people, Western Germany 48,000,000. The industries of those nations are turning out 44 percent more goods than they did before World War II but yet these nations in the year ahead plan to spend only \$8,000,000,000 on its own defense while the administration is calling upon the United States with only 150,000,000 people to spend \$45,000,000,000 for arms even though we are far removed from the battle area and certainly much more remote from danger than the nations of Europe. The Communists have boldly proclaimed that the United States will spend itself into disaster. Russia is sitting by biding its time while we are well along the road on our spending spree. As reported in the August 10 issue of United States News and World Report, in the year ahead the United States will spend on its Armed Forces \$40,500,000,000, and will make available in military aid to Europe five and two-tenths billions; the allies of the United States in Europe will spend on their armed forces seven and nine-tenths billions. The postwar loans and grants to Europe prior to the Marshall plan cost the United States nine and six-tenths billions. Marshall-plan aid to Europe to date has cost the United States eleven and seven-tenths billions. The proposed 3-year plan of military and economic aid to Europe would cost \$20,700,000,000 as reported in the United States News and World Report.

The President is planning an over-all expenditure for the fiscal year of over

\$71,000,000,000. It will probably be nearer a hundred billion if he has his way. If the Congress authorizes the present request for foreign aid, the total authorized gifts, loans, and credits in the past 10 years will aggregate \$124,000,000,000. The United States has only 6 percent of the population of the world, yet we are attempting to feed, finance, and equip for war the entire world outside the iron curtain. It is high time for the taxpayers to call for an accounting and a stop to the flagrant waste of our resources.

The people of the United States are entitled to know why it is that those in control of the Government since 1933 have kept our country almost continuously in war and made it possible for the Communist Government of Russia to extend its domination from 170,000,000 people in 1945 to 800,000,000 today and to spend more than all other administrations in our history combined, and why it is that we lack effective, forthright, far-sighted leadership at home and abroad, and why it is that notwithstanding billions appropriated for national defense, we found ourselves inadequately prepared to meet the Korean conflict. This lack of leadership and the willingness to accept political expediency has left us confronted with exorbitant prices, mounting taxes, dwindling savings, and insolvency. We are attempting to substitute billions of dollars for effective and forthright leadership and to substitute bullets for statesmanship. No armed force can survive internal weakness, corrupt and vacillating leadership. In truth America's greatest need is honest and effective leadership on the national level, leadership that is courageous, far-seeing, honest, and guided by high moral principles and spiritual values. These we do not possess today. It is time to take up this

fight to restore them and for the restoration of democratic processes here at home and the preservation of our American way of life and our capitalistic system of free enterprise which is being undermined by socialistic panaceas.

The foreign-aid program has donated to the rest of the world equals in value the physical assets of five States—Illinois, Indiana, Iowa, Michigan, and Wisconsin. International aid from 1940 through 1950 donated by the United States is as follows:

Institute of Inter-American Affairs	\$122,879,887
Participation in international organizations	182,450,186
International refugee organization	212,214,257
United Nations relief and rehabilitation administration	2,701,900,000
Government and relief in occupied areas	4,335,500,000
Relief of Palestine refugees	43,450,000
Relief assistance (post UNRRA)	385,000,000
Aid to China	1,363,000,000
Aid to Greece and Turkey	945,000,000
Assistance to the Philippines	575,803,398
Mutual defense assistance program	6,492,033,729
Aid to Korea	250,000,000
International children's emergency fund	160,000,000
Interim foreign aid	577,000,000
Information and educational activities abroad	178,855,850
Economic cooperation administration	10,952,380,000
Lend-lease appropriations (net)	\$67,869,771,129
Purchase of strategic and critical materials	4,103,548,370
Cooperation with American Republics	32,877,800
American Red Cross, foreign war relief	85,000,000
Inter-American highway	56,400,000
Surplus property disposals, balances	1,020,241,000
Eradication of foot and mouth disease, Mexico	75,000,000
Displaced Persons Act	15,410,000
International development programs	26,900,000
Compensation to Finland, requisitioned ships	5,500,000
Administering island governments	8,675,000
Assistance to Yugoslavia	50,000,000
<b>Total international aid items</b>	<b>102,821,790,606</b>
Appropriations for loan programs in the same 10-year period:	
United Nations headquarters loan	65,000,000
British loan	3,750,000,000
Subscription in international monetary fund	2,750,000,000
Subscription to International Bank	3,175,000,000
Export-Import Bank loans outstanding, Dec. 31, 1950	2,226,431,000
RFC foreign loans outstanding Dec. 31, 1950	110,268,000
<b>Total loans</b>	<b>12,076,699,000</b>

Credit programs maintained by our Government:	
United States Maritime Administration, balances due on ship sales	174,970,000
Surplus property disposals, balances	1,020,241,000
Lend-lease silver account balances due Dec. 31, 1950	291,215,000
Philippine funding credit	35,000,000
<b>Total credits outstanding</b>	<b>1,521,426,000</b>

I recently asked the Library of Congress in its Legislative Reference Service to give me a breakdown of foreign-aid grants, gifts, and expenditures by our Government from July 1, 1945, to March 31, 1951. This information is most illuminating as disclosing the wide range of activities financed by our Government around the world and giving concrete evidence of why it is we are in the midst of an inflationary period, with the highest tax burden in our history or in the history of any country, and with prices for the necessities of life reaching astronomical figures beyond the ability of low-income groups to cope with.

This breakdown of expenditures is as follows:

*Summary of foreign aid (grants and credits)—by program—July 1, 1945, to Mar. 31, 1951*

[In millions of dollars]	
Grants utilized:	
Lend-lease	1,946
European recovery	8,478
Civilian supplies	4,809
UNRRA—Post-UNRRA and interim aid	3,443
Philippine rehabilitation	623
Korean and far eastern (general area of China) aid <sup>1</sup>	290
Technical assistance and military aid <sup>1</sup>	139
Other	455
Miscellaneous	123
<b>Total grants utilized</b>	<b>20,305</b>
Credits utilized:	
Special British loan	3,750
Export-Import Bank	2,812
Lend-lease (excluding settlement credits)	69
Credit-agreement offsets to grants	1,256
Surplus property (including merchant ships)	1,334
European recovery	1,107
Other	437
<b>Total credits utilized</b>	<b>10,765</b>

<sup>1</sup> Includes some military aid.

*Total foreign credits utilized by foreign governments July 1, 1945, to Mar. 31, 1951*

[In thousands of dollars]	
Agriculture Department: Occupied-areas commodity programs	214,353
Commerce Department: Maritime Administration (merchant ships)	229,001
Defense Department—Army Department:	
Surplus property	20,000
Natural-fibers revolving fund	54,336
<b>Total</b>	<b>74,366</b>

Economic Cooperation Administration:	
European recovery:	
Through Export-Import Bank	1,089,208
Deficiency - material projects:	
Dollar funds	7,709
Counterpart funds	10,121
<b>Total</b>	<b>1,107,038</b>
Export-Import Bank:	
Direct loans	2,665,137
Loans through agent banks	146,566
<b>Total</b>	<b>2,811,703</b>
General Services Administration:	
Surplus property	18,254
Reconstruction Finance Corporation:	
Loans	70,102
Occupied-areas commodity programs	14,760
Surplus property	1,965
<b>Total</b>	<b>86,827</b>
State Department:	
British loan	3,750,000
Lend-lease current credits	14,565
Lend-lease silver	54,484
Credit - agreement offsets to grants	1,256,326
Surplus property	1,064,757
Philippine funding	35,000
<b>Total</b>	<b>6,174,732</b>

*Total foreign grants by agency and by program, July 1, 1945-March 31, 1951 (exclusive of military aid)*

[In thousands of dollars]	
Agriculture Department:	
Donations of surplus	77,563
Foot-and-mouth disease eradication	81,487
<b>Total</b>	<b>159,050</b>
American Red Cross	10,435
Defense Department:	
Civilian supplies:	
Army and Air Force Departments	4,413,358
Navy Department	18,856
Army and Navy Departments	4,413
Refugee assistance	8,937
Relief in Korea	65,785
<b>Total</b>	<b>4,504,349</b>

Economic Cooperation Administration:	
Civilian supplies	172,333
European recovery:	
Dollar funds	8,421,830
Counterpart funds	56,605
Far Eastern (general area of China) aid:	
Dollar funds	191,685
Counterpart funds	3,658
Interim aid (Public Law 389)	555,744
Korean aid:	
Dollar funds	86,760
Counterpart funds	7,990
Post UNRRA (Public Law 84)	298,635
<b>Total</b>	<b>11,795,240</b>

Philippine War Damage Commission (private claims)	397,348
Reconstruction Finance Corporations: <sup>1</sup>	
State Department:	
Chinese student assistance	3,861
<sup>1</sup> Less than \$100,000.	

State Department—Continued	
Institute of Inter-American Affairs.....	36, 257
Philippine reconstruction and rehabilitation.....	125, 701
Philippine rehabilitation: Surplus property.....	100, 000
Technical assistance.....	19, 884
Through international agencies:	
For refugees.....	230, 829
For Palestine relief.....	40, 450
For children.....	75, 000
<b>Total.....</b>	<b>631, 982</b>

Treasury Department:	
Chinese stabilization.....	119, 594
Lend-lease.....	1, 946, 000
Civilian supplies.....	134, 487
<b>Total.....</b>	<b>2, 200, 081</b>

United Nations Relief and Rehabilitation Administration.....	
Yugoslav aid.....	11, 358
<b>Total.....</b>	<b>20, 305, 556</b>

Source: U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce, Office of Business Economics, Clearing Office for Foreign Transactions, published and unpublished tables.

*British purchase in the United States with funds from the British loan*

	Percentage of total	Amount
Food.....	23	\$415, 000, 000
Raw materials (including oil).....	26	470, 000, 000
Machinery.....	15	270, 000, 000
Ships.....	7	125, 000, 000
Tobacco.....	10	180, 000, 000
Films.....	4	70, 000, 000
Supplies for Germany.....	13	235, 000, 000
Other.....	2	35, 000, 000
<b>Total.....</b>	<b>100</b>	<b>1, 800, 000, 000</b>

Sources: U. S. Congress, House Committee on Foreign Affairs. Foreign Policy for a Postwar Recovery Program. Hearings, 80th Cong., 2d sess. Washington, Government Printing Office, 1948; pt. 2, p. 1988. Williams, Francis, Was the British Loan Good Business? Nation's Business, vol. 37, March 1949, pp. 54, 55-59.

The \$960,000,000 spent by the United Kingdom in the rest of the Western Hemisphere was spent almost entirely for food, oil, and raw materials.

The \$620,000,000 spent of behalf of other sterling-area countries went mainly for cereals to enable India to fight the famine threatened (in 1948) by the failure of the rice crop, fertilizers for Egypt, and American cotton textiles for the colonies.

About \$400,000,000 remained when this compilation was made which was ultimately

spent in about the some proportions as the above listed items.

*Type of commodities financed by the Export-Import Bank July 1948 through December 1950*

Equipment:	
Machinery.....	\$280, 975, 000
Metals and manufactures (other than machinery).....	87, 319, 000
Industrial raw materials:	
Nonmetallic minerals.....	19, 009, 000
Chemicals and related products.....	9, 917, 000
Raw cotton.....	59, 423, 000
Textile fibers and manufactures.....	2, 792, 000
Inedible animal and vegetable products.....	4, 224, 000
Edible animal and vegetable products.....	4, 040, 000
Wood and paper.....	3, 697, 000
Other items:	
Miscellaneous.....	19, 239, 000
Ocean freight, forwarding charges, etc.....	5, 187, 000
Unallocated.....	70, 000
<b>Total.....</b>	<b>486, 892, 000</b>

Source: Export-Import Bank of Washington. Seventh through eleventh semiannual reports to Congress, July 1948 through December 1950.

*Paid shipments by commodity group and area of source—cumulative, Jan. 1, 1949—Mar. 31, 1951*

[Thousands of dollars]

Commodity group	Total	Area of source																	
		United States		Canada		European countries (and overseas territories) participating in ERP							Other countries						
		Total	Austria	Netherlands East Indies	France	Germany (Federal Republic)	Netherlands	British territories in Asia and Oceania	Total	Japan	China	Philippines	Spain	Iran	Thailand	Union of South Africa	Yugoslavia		
Grand total <sup>1</sup> .....	81, 028																		
Commodity total.....	71, 575	46, 419	1, 326	3, 587	1, 354	1, 179	515	269	235	26	20, 244	17, 242	1, 421	658	519	326	40	28	10
Food and agricultural commodities.....	42, 423	37, 558	1, 326	2, 137	1, 354		515	269			1, 402	397		486	519				
Industrial commodities.....	29, 152	8, 861		1, 449		1, 179			235	26	18, 842	16, 844	1, 421	173		326	40	28	10
Technical services <sup>2</sup> .....	2, 028	1, 806									202	202							
Ocean freight <sup>3</sup> .....	7, 425	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)
COMMODITY DETAIL																			
Food, feed, and fertilizer.....	27, 730	23, 351	1, 326	2, 137	1, 354		515	269			916	397		519					
Fertilizer.....	21, 542	17, 559	1, 326	2, 137	1, 354		515	269			519			519					
Nitrogenous.....	17, 056	14, 375	1, 326	1, 354	1, 354														
Phosphate.....	3, 184	3, 184																	
Potash.....	1, 302			783			515	269			519			519					
Bread grains.....	4, 671	4, 671																	
Wheat flour.....	3, 098	3, 098																	
Wheat.....	1, 572	1, 572																	
Barley.....	907	907																	
Wheat and rye products, not elsewhere classified <sup>4</sup> .....	397										397	397							
Whale oil and fish oils.....	213	213																	
Fuel.....	15, 157	5, 589		1, 179		1, 179					8, 389	8, 063				326			
Coal and related fuels.....	8, 063										8, 063	8, 063							
Petroleum and products.....	7, 093	5, 589		1, 179		1, 179					326					326			
Raw materials and semifinished products.....	23, 162	15, 706		262					235	26	7, 194	5, 036	1, 421	658			40	28	10
Raw cotton, except linters.....	14, 002	14, 002									2, 180	751	1, 421	8					
Fabricated basic textiles.....	2, 443	263									1, 628	207	1, 421						
Cotton.....	1, 845	217									552	544		8					
Other.....	598	46																	
Chemicals and related products.....	2, 182	691		235					235		1, 266	1, 228							28
Medicinal and pharmaceutical preparations <sup>4</sup> .....	829	187									642	642							
Pesticides.....	246	246																	
Industrial chemicals, except alcohol <sup>4</sup> .....	108	85									23	23							
Other.....	999	173		235					235		591	563							28

<sup>1</sup> ECA expenditures supplemented by movement reports from U. S. Government agencies; total paid shipments are less than actual movements because of the time required for receipt and processing of documents requesting payment.

<sup>2</sup> Including \$9 thousand of construction, mining, and conveying equipment shipped from Denmark.

<sup>3</sup> Including \$20 thousand of Korean source.

<sup>4</sup> Including expenditures made against authorizations for unclassified commodities and services in part and in total.

<sup>5</sup> Source not available.

Paid shipments by commodity group and area of source—cumulative, Jan. 1, 1949—Mar. 31, 1951—Continued

[Thousands of dollars]

Commodity group	Total	Area of source															
		United States	Canada	European countries (and overseas territories) participating in ERP						Other countries							
				Total	Austria	Netherlands East Indies	France	Germany (Federal Republic)	Netherlands	British territories in Asia and Oceania	Total	Japan	China	Philippines	Spain	Iran	Thailand
COMMODITY DETAIL—continued																	
Raw materials and semifinished products—Continued																	
Iron and steel mill materials and products, including ferro-alloys	1,955	698															
Nonmetallic minerals	1,423	10															
Vegetable fibers, manila or abaca	486												486				
Lumber and lumber manufactures	384													165			
Nonferrous metals and products	250	7		26							26					40	10
Copper	154										154						
Tin	58			18							18					40	
Lead	13										13						
Zinc	7	7															
Other	19			9							9						10
Pulp and paper	36	36									10						
Machinery and vehicles	5,244	1,562		9							3,674	3,674					
Machinery and equipment	1,644	761		9							874	874					
Construction, mining, and conveying equipment	352	205		7	9						139	139					
Electrical apparatus, except generators and motors	241										241	241					
Engines and turbines	238	238															
Generators and motors	155	150									5	5					
Metalworking machinery, except machine tools	21	21															
Machine tools	1										1	1					
Industrial machinery, not elsewhere classified	598	110									488	488					
Tractors, all types	38	38															
Motor vehicles, engines, and parts	1,511	279									1,232	1,232					
Other transportation equipment	2,089	521									1,567	1,567					
Railroad transportation equipment and parts	2,079	511									1,567	1,567					
Vessels and equipment	10	10															
Miscellaneous and unclassified	282	212									71	71					
Miscellaneous inedible vegetable products	205	205															
Miscellaneous industrial commodities	78	7									71	71					
Miscellaneous rubber products and rubber scrap	70										70	70					
Scientific and professional instruments	5	4									1	1					
Other	3	3															

<sup>6</sup> Including shipments made against authorizations for unclassified commodities in part and in total.

<sup>7</sup> Source country is Denmark.

NOTE.—Totals shown are sums of unrounded figures, hence may vary slightly from totals of rounded amounts.

Paid shipments by commodity group and country of destination—cumulative, Apr. 3, 1948—Mar. 31, 1951

[Millions of dollars]

Commodity group	Total	Country of destination															
		United Kingdom	France	Germany (Federal Republic)	Italy	Netherlands	Belgium-Luxembourg	Austria	Greece	Denmark	Norway	Ireland	Sweden	Turkey	Trieste	Portugal	Iceland
Grand total <sup>1</sup>	9,440.7	2,620.5	1,928.3	1,022.9	926.4	859.4	495.8	438.7	333.5	215.1	187.9	131.3	93.4	79.1	26.4	26.4	13.1
Commodity total	8,725.9	2,529.7	1,605.8	948.1	821.0	835.5	471.9	398.7	303.1	211.6	185.5	129.7	93.4	71.5	22.1	25.2	13.1
Food and agricultural commodities	4,510.3	1,356.5	561.9	744.1	459.8	396.0	167.5	291.1	201.3	100.6	88.5	94.1	2.1	12.8	11.0	17.1	5.8
Industrial commodities	4,218.6	1,173.3	1,104.6	205.1	361.9	439.6	304.4	107.6	101.8	111.1	97.0	35.6	91.4	58.7	11.0	8.2	7.4
Technical services	24.3	7.5	4.4	.3	3.8	.7	.1		3.6		1.1			2.7			
Ship disbursements	7.4	2.0	1.6			2.5	1.0		.1		.1						
European Payments Union	42.6	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Ocean freight	640.4	81.2	256.4	74.4	101.6	20.6	22.8	40.0	26.7	3.5	(**)	1.2	1.6		4.8	4.4	1.2

See footnotes at end of table.

Paid shipments by commodity group and country of destination—cumulative, Apr. 3, 1948—Mar. 31, 1951—Continued

[Millions of dollars]

Commodity group	Total	Country of destination															
		United Kingdom	France	Germany (Federal Republic)	Italy	Netherlands	Belgium-Luxemburg	Austria	Greece	Denmark	Norway	Ireland	Sweden	Turkey	Trieste	Portugal	Iceland
<b>COMMODITY DETAIL</b>																	
Food, feed, and fertilizer.....	2,877.0	865.1	235.7	439.2	220.2	288.2	144.1	244.2	190.1	69.2	71.7	62.7		12.8	10.9	17.1	5.7
Bread grains.....	1,457.6	539.7	79.6	123.0	193.4	138.4	53.3	120.9	112.7	3.5	36.0	18.4		12.8	7.0	17.1	1.7
Coarse grains.....	345.6		42.1	144.8	2.8	38.4	5.6	31.4	2.9	19.7	16.8	41.4					
Fats and oils.....	330.0	9.3	64.9	87.6	15.5	43.3	22.8	53.5	5.4	15.5	8.9	.2			2.5		.7
Sugar and related products.....	265.0	134.4	12.5	31.9		29.7	14.7	12.5	25.6		2.8	.6					.3
Meat.....	123.0	75.5	1.1	18.5		4.4	9.8	4.4	8.8	.2		.2				.1	
Dairy products.....	112.8	69.0	11.8	.2		1.3	13.5	.4	15.4						1.2		
Feeds and fodder.....	52.9	.1	5.5	2.5		5.2		2.4		27.8	7.3						2.1
Fertilizer.....	43.2	1.5	12.8	5.6	1.7	6.5	.7	6.5	7.4								.5
Fruits and nuts, except peanuts.....	33.7	14.1		5.9			12.2	.8		.3		.4					
Rice.....	28.5		1.6	.5		18.7	1.4	1.7	4.1	.2							.2
Vegetables and preparations.....	18.8			4.6	1.9		5.6	.2	4.9	1.7							
Coffee.....	18.3		.1	11.8		.2	1.1	3.0	2.0			.1					.1
Eggs.....	15.9	10.9		2.0			.3	2.7									
Fish and fish products, excluding fish oil and meal.....	15.8	10.8			3.0		.9		.4			.7					
Miscellaneous grain preparations.....	6.5		1.7	.1	.9	.4	.2	2.1	.4	.2		.5					
Seeds, other than oilseeds.....	5.7		1.5		.9	.8	.1	1.5	.1	.2		.4					.1
Miscellaneous edible agricultural products.....	3.8		.4	.2	.1	1.0	2.0								.1		
Fuel.....	1,311.0	309.6	473.6	34.4	152.9	70.5	59.0	27.1	21.0	50.5	27.6	12.0	53.6	2.5	9.3	6.2	1.1
Petroleum and products.....	1,035.0	309.6	316.3	34.4	81.1	54.2	56.9	2.9	20.4	47.6	27.6	12.0	53.6	2.5	8.8	6.2	1.1
Coal and related fuels.....	275.7		157.3		71.8	16.3	2.1	24.2	.5	2.9					.6		
Raw materials and semifinished products.....	2,867.8	965.7	575.2	380.2	307.5	302.9	88.5	75.7	39.8	42.5	50.2	12.9	19.8	3.8	1.4	.1	1.6
Cotton.....	1,158.4	266.0	294.7	219.5	234.8	77.8	6.7	31.5	9.8	13.7	1.7	.2	2.1				
Nonferrous metals and products.....	581.1	325.4	121.3	31.1	29.8	43.9	.7	8.0	1.6	11.6	4.7		2.4	.4	.2		.1
Iron and steel mill materials and products, including ferro-alloys.....	240.2	47.6	38.6	2.8	15.6	59.9	12.7	5.8	8.7	11.5	27.9	2.1	4.8	1.6	.3		.3
Chemicals and related products.....	227.4	60.4	61.4	16.0	13.5	20.5	25.1	12.0	9.5	1.2	2.5	.4	3.6	.9	.3	.1	.1
Metallic ores and concentrates.....	112.8	54.8	14.1	15.7	.4	5.2	18.7	1.7			1.9		.4				
Lumber and lumber manufactures.....	108.5	74.8	4.5	5.1	1.0	6.5	5.9	1.0	4.2	.2	.8	3.3		.7	.5		
Fabricated basic textiles.....	106.2	7.4	4.6	6.2	5.3	64.8	3.3	.8	.6	.6	7.7	2.1	2.2				.6
Pulp and paper.....	99.2	72.5	4.8	13.9	.1	.8	2.4		.4			3.9					.4
Nonmetallic minerals.....	87.7	40.6	18.2	4.3	.3	5.1	10.0	2.0	.7	1.0	.8	.2	4.4	.1			
Hides, skins, and leather.....	75.4	2.8	.3	41.1	5.3	11.1	2.2	7.8	4.4		.3	.7					
Fibers, except unmanufactured cotton and wool.....	33.7	5.4	12.4	7.9		2.9	.6	.6		2.4	1.5						
Naval stores.....	23.2	8.0		8.9	1.4	3.7	.3	.1		.3	.3	.1			.1		
Wool, unmanufactured.....	12.8			7.6				5.2									
Miscellaneous fiber products.....	.9		.2			.7											
Machinery and vehicles.....	1,202.4	169.1	347.5	28.7	131.8	142.5	157.4	40.6	44.3	32.5	21.5	9.7	19.2	50.9	.3	1.8	4.5
Machinery and equipment.....	895.3	164.9	256.2	22.8	127.3	72.2	63.8	38.8	31.9	25.6	19.1	6.1	16.2	45.4	.3	1.3	3.3
Motor vehicles, engines, and parts.....	187.8	3.1	15.6	5.2	.1	42.6	89.6	1.1	11.6	5.2	1.2	3.5	3.0	5.3		.4	.5
Aircraft, engines, and parts.....	74.3		39.0		4.1	25.4	3.4		.5	.9	.9		.1				
Other transportation equipment.....	45.0	1.1	36.7	.8	.2	2.3	.7	.7	.3	.9	.4			.2	.1	.1	.6
Miscellaneous and unclassified.....	467.8	220.2	33.8	65.5	8.6	31.4	22.9	11.1	8.0	16.8	14.4	32.3	.9	1.5	.1		.2
Tobacco.....	387.5	209.3	15.9	55.8	3.4	10.6	15.2	9.1		14.8	13.2	31.1					
Miscellaneous industrial commodities.....	65.6	8.2	15.4	5.7	5.9	8.1	7.1	1.7	6.5	1.8	1.1	1.2	.9	1.5	.1		.2
Miscellaneous inedible animal and vegetable products.....	17.6	2.6	3.2	5.2		3.8	.6	.4	1.4	.2	.1	.1					
Unclassified commodity refunds.....	-2.9		-7	-1.2	-7	-1		-1				-1					

1 ECA expenditures supplemented by movement reports from U. S. Government agencies; total paid shipments are less than actual movements because of the time required for receipt and processing of documents requesting payment. Including \$259,243 paid shipments to France and \$1,050,837 to the United Kingdom for overseas territory development. Including dollar transfers in connection with European Payments Union, \$42.6 million for the EPU capital fund.

2 Including \$2.9 million for unclassified commodity refunds.

NOTE.—Totals shown are sums of unrounded figures, hence may vary slightly from totals of rounded amounts. Overseas territories are reported with recipient mother countries.

Source: Office of the Comptroller.

Paid shipments by commodity group and country of destination—cumulative, June 5, 1950–Mar. 31, 1951

[Thousands of dollars]

Commodity group	Total	Country of destination						Far East inventory and other <sup>2</sup>
		Formosa (Taiwan)	India <sup>1</sup>	Associated States of Indochina	Thailand	Burma	Indonesian Republic	
Grand total.....	21,052	16,567	3,078	983	165	117	95	49
Commodity total.....	19,008	14,814	3,078	864	132	81	40	
Food and agricultural commodities.....	17,314	13,731	3,078	504	1			
Industrial commodities.....	1,694	1,083		380	131	81	40	
Technical services.....	254	117		18	6	15	50	49
Technical assistance.....	24			1	16	8		
Ocean freight.....	1,690	1,560		100	11	14	5	
Operations of Joint Commission on Rural Reconstruction.....	76	76						
COMMODITY DETAIL								
Food, feed, and fertilizer.....	13,043	9,852	3,078	111	1			
Fats and oils.....	5,157	5,157						
Soybeans.....	2,547	2,547						
Peanuts.....	1,558	1,558						
Tallow.....	841	841						
Soybean oil.....	211	211						
Grain sorghums.....	3,078		3,078					
Bread grains.....	2,853	2,853						
Wheat flour.....	2,287	2,287						
Wheat.....	566	566						
Fertilizer.....	1,843	1,843			1			
Nitrogens.....	1,398	1,398						
Other.....	445	443			1			
Dairy products.....	111			111				
Fuel: Petroleum and products.....	1,031	<sup>3</sup> 952		<sup>4</sup> 79				
Raw materials and semifinished products.....	4,339	3,709		475	47	69	39	
Raw cotton, except linters.....	3,971	3,578		393				
Chemicals and related products.....	235			80	47	69	39	
Medicinal and pharmaceutical preparations.....	123			30	6	69	18	
Pesticides.....	112			49	42		21	
Nonmetallic minerals.....	66	66						
Lumber and lumber manufactures.....	65	65						
Pulp and paper.....	2			2				
Machinery and vehicles.....	275			180	82	11	1	
Machinery and equipment.....	165			116	49		1	
Construction, mining, and conveying equipment.....	159			110	49			
Electrical apparatus, except generators and motors.....	2			2				
Agricultural machinery, except tractors.....	5			4			1	
Motor vehicles, engines, and parts.....	110			65	33	11		
Miscellaneous and unclassified.....	<sup>5</sup> 320	301		19	1			
Tobacco.....	301	301						
Miscellaneous industrial commodities.....	20			19	1			
Scientific and professional instruments.....	13			12	1			
Miscellaneous industrial materials and manufactured commodities.....	6			6				

<sup>1</sup> ECA dollars have been obligated to supplement \$13.4 million supplied by the Indian Government to obtain surplus United States grain sorghums through the Commodity Credit Corporation. The Indian Government is meeting the major part of the purchase price with its own dollars. The ECA financing was authorized on a grant basis from funds appropriated to ECA for "the general area of China." The difference between the market price of the grain at the time of delivery and the sum of the amount paid by the Indian Government and the ECA contribution, will be financed by the U. S. Department of Agriculture.

<sup>2</sup> Expenditures for technical personnel recruitment and training program—public health project.

<sup>3</sup> Including \$64,000 from Bahrain.

<sup>4</sup> Source of petroleum is Saudi Arabia and Bahrain; all other commodities are of United States source.

<sup>5</sup> Including \$477 scientific and professional instruments shipped to Indonesian Republic.

NOTE.—Totals shown are sums of unrounded figures, hence may vary slightly from totals of rounded amounts.

Source: Office of the Controller.

Mr. Chairman, I sincerely believe that if our Nation is to maintain its solvency the time has arrived to make a drastic cut in our foreign expenditures. The economy of our country will not continue to stand this excessive burden and the tax resources of the Nation have reached the saturation point where increased taxes will bring in less tax dollars.

By this program we have foisted upon the American people the burden of inflation and high prices which is preventing wage earners and those depending on fixed incomes, from receiving a minimum of the necessities of life. The aged with meager allowances from old-age assistance, pension grants or fixed dollar income, are threatened with actual starvation in many cases. The time has arrived when we must give consideration to our own people here in

the United States, reduce the tax burden, eliminate unnecessary gifts and loans to foreign countries, and insist that such countries take up the burden of their own defense and rehabilitation with reduced aid from this country. For these reasons I cannot, in justice to American taxpayers, vote for another gift for foreign aid approximating \$8,000,000,000.

Mr. RICHARDS. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I certainly would not come before the Members of this House and try to influence them to do anything or to vote any way upon the basis of my own personal merit or upon my own personal background or experience or knowledge. Today I am going to utilize my time, not to give you what I personally think

about this bill, although I will say that I am for it 100 percent.

I want to compliment the chairman of the committee on the fine, businesslike, and impartial way in which he handled this bill in the hearings, giving all the time and all the fairness that was possible to every witness. I want to compliment the staff and say to the Members of this House that there has never been a staff that has worked harder or put in more hours on a bill than has been put in on this one. They have worked until 2 or 3 o'clock in the morning for a week or so before the bill was reported, and prior to that time they worked late every night as well as every day. We of the committee, who know how much it takes out of a person to work those long hours, certainly appreciate the work they have done on this bill.

I want to bring to you today some of the excerpts from some of the testimony of men whose names are known not only to the people of the United States, but they are known to the people who love freedom—yes, and to the people who hate freedom throughout the world.

Gen. George Marshall, Secretary of Defense, who has devoted a long and valuable lifetime of service to his country, among other things, said the bill is necessary—

To strengthen the underdeveloped areas of extremely low standards of living, low standards of literacy, poor conditions of sanitation and health, and high death rates. There a large part of the world's natural resources are found and there the Communists are trying to exploit the impoverished situation to their advantage. It is the tradition of the United States to aid the aspirations of people to improve their lot. This is the time when American self-interest and the welfare of the peoples in the underdeveloped areas become a common cause which can be advanced by a judicious distribution of our economic assistance.

Foreign aid will represent about 15 percent of our total defense budget. We consider the investment necessary because we believe that it will strengthen the security of America and of the free nations.

General Gruenther, chief of staff of SHAPE, had this to say:

This question really falls into two parts: (a) Is economic strength in Europe necessary to the successful completion of the military program; and (b) is United States economic aid necessary to the maintenance of this basic economic strength?

The answer to both questions must clearly be "Yes," for this intensive build-up period in which we are now engaged.

In Europe aggression by the Soviet Union has taken all forms except that of open invasion. The Soviet has resorted to propaganda attempts to capture labor unions, attempts to stop United States arms shipments, demonstrations, and so forth. Together with the threat of actual invasion, these actions have had as their sole purpose the undermining of the morale and the will to live independently of the European population. Reinforced by the existence of the mobilized Communist forces in Eastern Europe, they have tended to create an atmosphere of insecurity and uncertainty which in itself prevents the full realization of the economic potential of Western Europe. We must combat these Soviet offensives just as we combated the open aggression in Korea. Our ultimate aim is to create the kind of economic strength which breeds such great confidence and security that the Soviet offensives cannot succeed.

In evaluating this aspect of our job in Europe a realistic and responsible United States observer would have to conclude that sufficient economic strength does not now exist to support the needs of the situation. Although European economic strength is now much greater than it was in, say 1947 (when Europe nearly succumbed to internal aggressions) it is, nevertheless, not sufficient to carry unaided the whole burden of rearmament and also permit continued resistance to the Soviet attack from within.

I depart from my remarks at this point to say that while the gentleman from Wisconsin [Mr. SMITH] a member of our committee, gave you figures to show that the Communist vote had not appreciably changed in the last 3 years in France and Italy, I want to say to you that the rate of growth before 1947 in those countries was startling, and that our eco-

nomie aid did stop that growth and we have held it and in some cases reduced it, and we have solved some of the conditions which would have accelerated that growth, I am morally certain; a growth which would have happened if we had not stepped in with Marshall plan aid.

Now, William C. Batt, who was our United States representative on the NATO Defense Production Board, and a famous American businessman, cited as an example, when he was before our committee, that Belgium can make 70 percent of the minesweepers at its own expense if the United States furnishes the other 30 percent which the Belgians cannot make. Thus he said that if the 30 percent would be eliminated, the 70 percent which they can perform would be lost to the common effort of the free nations. Representatives of the United States Chamber of Commerce came before us and, testifying on the subject of foreign raw materials and the necessity of having some of those materials for our own defense needs, brought out this: A fact not fully realized is that 73 percent of the raw materials imported by the United States come from underdeveloped countries, and that a 50 percent increase in these imports during the next 2 years will be necessitated by expansion of American industry to meet defense needs. Technologically backward people living under appalling conditions of poverty, disease, and illiteracy cannot be expected to produce unaided these additional materials needed by the United States. So we see that in helping these people to start their economic machinery in motion we are not only helping them but we are helping ourselves.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Illinois.

Mr. JONAS. I have listened attentively to all the speakers including the distinguished gentleman from California, but I wish I could have an answer to this question my constituents daily propound to me. They want to know how we are going to finance this gigantic program of foreign aid. They are in a quandary about this situation. They are anxious to know whether we have already levied sufficient taxes in the tax bill we passed to cover the cost of this over-all plan we are talking about, or, if we vote to adopt what is proposed in this bill, will it require additional legislation of this House calling for additional taxes? That is the question with which I am confronted.

Mr. HOLIFIELD. My answer to the gentleman would be this, that when the security of the Nation is at stake we cannot allow the very laudable objective of a balanced budget to stand between ourselves and our Nation's security. If it becomes necessary for us to unbalance the budget and project forward our debt to a certain extent at this critical time in the world's history, I for one would do it, just as gladly as I would go into debt for a major operation for myself or one of the members of my family.

I appreciate what the gentleman's constituents want to know. Mine want

to know the same thing. But I think this is a time in the history of the world when we cannot put a price on liberty and freedom with the threat of Soviet imperialism and aggression standing on the border of every free nation.

Mr. JONAS. I agree with the gentleman both from an oratorical and an emotional standpoint, but I still do not have an answer to my question. Did anybody appear before the gentleman's committee who gave testimony or issued a statement pointing out what we have to do to raise this additional money, or is it conceded now that if we do pass this bill in its present form we have to raise money by additional taxation? We might as well be frank with the people.

Mr. HOLIFIELD. Did the gentleman vote for the \$56,000,000,000 defense bill the other day?

Mr. JONAS. I did.

Mr. HOLIFIELD. Then the gentleman should have sought the answer to his question when he voted for the \$56,000,000,000 for national defense. I think he would come to the same conclusion if he understood the principles that are involved in this \$8,000,000,000 bill, in round numbers, as he came to on the \$56,000,000,000 bill, because I earnestly say that this expenditure is just as vital to the defense of the freedom of the world as the \$56,000,000,000. Defense of freedom does not stop at the borders of the United States in this world of high-speed jet planes and atomic bombs, it is all over the world.

Mr. JONAS. I am not questioning that, I am questioning how we are going to raise the money.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. In answer to the gentleman's inquiry, I think that this is included in the budget. That is my distinct recollection. We passed a tax bill which is in the Senate. I think that if an adequate tax bill is passed in the Senate and ultimately becomes law, then all these items are involved in the estimates and in the budget and there will be a balancing of the budget. The gentleman will remember that it was first proposed that we raise \$10,000,000,000 in the tax bill. I think we passed a bill calling for about \$7,200,000,000 additional taxes. With the savings that can be made, we would be pretty close to a balancing of the budget if a tax bill is passed at around \$7,500,000,000. But the items here are included in the budget, and that is all made up in connection with the tax bill, which has already passed this body.

Mr. HOLIFIELD. I thank the gentleman for his contribution. I would say further, it is not the province of the Committee on Foreign Affairs to raise the taxes. Our province is to ascertain the need from the standpoint of foreign relations with other nations of the world and to supply that need in accordance with the best interest of our country. Once having found that need, and I assure you we went through the proposals which were made with a fine-tooth comb, and cut as much off the

original request as we thought it safe to cut, and having fulfilled the jurisdiction of our committee, then it becomes the obligation of the Committee on Ways and Means of the House, of course, to raise the money—not only for that, but for the \$56,000,000,000 which we all voted for the other day, with, I believe, the exception of two votes in the negative.

Mr. FLOOD. Will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. FLOOD. I would like to make this observation in the middle of the gentleman's remarks. A few minutes ago, the distinguished gentleman from Wisconsin stated that the writer, Pearl Buck, said that America has not a friend in the world. I have just returned from a rather extended tour of the Far East, where I visited India, Pakistan, Indonesia, and all that area. While that may be true, the lady also said in the same article to which the gentleman referred, that as long as the United States of America used food as a political club over the heads of anybody any place in the world, you will have no friends, and you are not going to convert them.

Mr. HOLIFIELD. I thank the gentleman.

In conclusion, Mr. Chairman, let me again emphasize the fact that this bill is just as necessary for the defense of world freedom against Soviet domination as the \$56,000,000,000 defense bill which was passed in the House a few days ago.

The defense of freedom is an obligation of all free nations. No one nation can do this job alone. It will take the strength in manpower and resources of all of the free nations to win this fight. I earnestly believe that this bill will help to strengthen other friendly nations so that we will not have to shoulder an impossible task unaided and alone.

While great expense is involved, in my opinion long-range economy is really our attainable goal. If we can prevent the outbreak of world war III by strengthening the free-world nations so that an aggressor will not dare to strike, then we will save the hundreds of billions which an atomic war would cause to be spent. And, of course, no one could begin to estimate the value of the human lives which we would save if war is prevented.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. JUDD. I yield 5 minutes to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Chairman, H. R. 5113—which sets up the Mutual Security Administration—virtually destroys the effectiveness of the Foreign Service of the Department of State, a service which it has taken the best brains and the most patriotic hearts of this Republic 163 years to build.

By making the administrator of this superspending superagency an officer of Cabinet rank, he is given the same rank as our Secretary of State.

Foreign representatives of this new department will stand on a par with United States chiefs of missions everywhere in the world. Let me underline the real peril—the foreign representatives of the new agency would have power to give

away money: our chiefs of missions would not. There will be no question in the practical minds of those who are spending American taxes as officers of foreign governments as to which American official is the most important.

In other words, we are called upon to witness the sunset of American foreign policy.

It is poor logic to strike at Acheson by blasting the Foreign Service—an institution which was over a century old when Acheson was born. It is lax reasoning to show distrust of the State Department by tearing it down, and substituting, in its place, the confused, flapjacking of agencies designed to create domestic harm and international chaos.

On the floor of the House, on July 23, 1951, I said that point 4, ECA, and other flapjack agencies had made our chiefs of mission third men on the totem pole abroad.

Let us consider carefully before relegating these public servants of the Foreign Service to fifth position on the same totem pole: to the thrusting of these Americans into the outer darkness of complete oblivion.

When we read the bill under the 5-minute rule, I will offer an amendment to somewhat improve and safeguard, in some humble way, our Foreign Service. I would be glad to consult with the distinguished gentleman of the committee and other members of the Foreign Affairs Committee on that amendment before we get to that point.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. RICHARDS. I want to say to the gentleman and to the House that there is no one in the House who knows more about our Foreign Service set-up than does the gentleman from Nebraska. He has made a study of that phase of governmental activity and he has always been nonpartisan when it came to the functions of our Foreign Service abroad. The gentleman raised the question of the danger of this new Administrator. I want to call to the attention of the gentleman that the present ECA Administrator has the very same power in a great many respects as this new Administrator over the whole set-up.

Mr. STEFAN. With this exception, that a year ago, after my objection and the objection of the gentleman himself and others, the President of the United States put out an order insisting on the coordinating of the services abroad, and clearing all of these subjects through the Chief of Mission. In this bill there is no such protection.

Mr. RICHARDS. In this bill that very same procedure is provided.

Mr. STEFAN. No. It is not in here. I have read the bill five times, at least, and it is not in there. That is what my amendment will do.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. I do not like to get in the middle between the gentleman from South Carolina [Mr. RICHARDS] and the gentleman from Nebraska [Mr. STEFAN].

They are both good friends of mine. I can say that the gentleman from Nebraska [Mr. STEFAN] is certainly one of our authorities on the Foreign Service. I serve on the Appropriations Subcommittee for the State Department with him, and have done so for several years. I would like to say this: That at a conference in London on July 3 and at a dinner that evening, there were in attendance three American ambassadors and five ministers, all accredited to London. It looked like a Graustarkian musical comedy.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. RICHARDS. Mr. Chairman, I yield 10 minutes to the distinguished majority leader [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, it was my privilege on April 2, to introduce H. R. 3458 to authorize a \$150,000,000 grant to aid Israel in the relief and resettlement of refugees. The gentleman from Massachusetts [Mr. MARTIN] and I introduced companion bills.

My interest in this cause goes back to 1919 when, as a member of the Massachusetts Legislature, I supported the first legislative declaration calling for the restoration of the Jewish commonwealth in Palestine.

World War I had left in its wake a generation of homeless and stateless Jews, human beings, who appealed to world statesmanship for the right to live in dignity and freedom in their own homeland. We understood the compelling urgency of their plea and we were convinced that the Jewish people should have a state of their own, which would be a haven for the persecuted and the scene for the revival and expression of their own culture and civilization.

The appeasement of the 1930's, the spread of Hitlerism, and the outbreak of World War II, all combined to defeat our hopes and to condemn 6,000,000 Jews—one-third of all the Jewish people—to death in Hitler's gas chambers and crematoria—a dastardly and indescribably inhuman deed.

Stunned by this barbarism, the world seemed impotent to halt the slaughter, and when the war finally ended, we remained shamefully impotent to help the handful of survivors.

For some 3 years, homeless Jews remained in displaced-persons camps in Germany and Austria—the graveyard of their kin. And behind the iron curtain, Jews who had miraculously survived annihilation by the Nazis were now being liquidated by expropriation by the Communists.

This black chapter of disaster came to a sudden and dramatic end on May 14, 1948, when the State of Israel was proclaimed. On that day, even as the new democracy was invaded, it threw open its doors and the refugees began to come home after an exile of 2,000 years.

Mr. Speaker, I am proud that this House had something to do with this regeneration of a broken people. In 1944, the Democratic Party incorporated in its platform a plank favoring the establishment of a free and independent Jewish commonwealth in Palestine. I was chairman of the platform committee in

the 1944 Democratic National Convention. We called for the reopening of Palestine in 1945. Our Government advocated the establishment of the Jewish state at the United Nations. The President of the United States was the first Chief of State to recognize the new Republic.

Our hopes were justified. The gates we helped to open have remained open. In the first 36 months of statehood, Israel gave sanctuary to 600,000 immigrants, from Europe and the Moslem world, and made plans to welcome another 600,000 in the next 3 years.

Israel's brief but dramatic history echoes the struggles of our own founding fathers to establish a free nation in the face of overwhelming military and economic odds. Just as the heroes of Concord and Lexington were pioneers in the wilderness of a new world, so the people of Israel are pioneers in the Old World, bringing the democratic way of life to a stagnant area, blighted by centuries of feudalism. Like America, Israel has been a sanctuary and a haven for the homeless and the oppressed. And like America, Israel stands ready to fight for the defense of freedom. Our two countries share the same beliefs, we are united in upholding the same principle, the freedom of the individual.

It is to the credit of Israel that she has been able to finance this huge immigration by her own sacrifices and her exertions, and her readiness to mortgage her future. She has been aided by the unprecedented philanthropy of the American Jewish community, who were concerned to see their kinsmen reconstituted in their own land after centuries of discrimination and persecution in the Old World. But the task has been far too heavy for a people so few, and the state formally appealed to us for financial assistance in March.

I introduced the legislation to authorize aid because I have been convinced that it is in America's interest to see to it that this little state is enabled to carry its immigration program to a successful conclusion. It is too much to expect the people of Israel to carry the entire burden themselves. No state in history has doubled its population in 3 years, tripled it in 6. It is extraordinary that so much has been done without outside governmental aids.

Respect for humanitarian considerations argues for American economic aid to this young republic. But self-interest also casts an affirmative vote. Every dispatch from the Near East within recent months warns of imminent conflict in the area. We receive reports of economic and political unrest, and the spread of Communist and antiwestern propaganda. It is imperative that we do all we can to consolidate our own position by strengthening those states which are resolved, like us, to be faithful and steadfast in the defense of the free world.

Since the introduction of my bill, the President has come forward with a proposal to include the Near East in our foreign assistance program. The amount that is recommended is modest in comparison with what we have done and are continuing to do in other parts

of the world, and in the light of the needs and perils of the area. Since that program was first announced, tension in the Near East has mounted and the Committee on Foreign Affairs has wisely recommended a larger amount for the Near East. In my view, the committee has proposed an equitable formula. Aside from recommending economic assistance to small nations of the Near East, the committee has earmarked \$50,000,000 for the resettlement of the Arab refugees and \$50,000,000 for the relief and resettlement of the refugees who have been coming into Israel. This is but a small fraction of the total cost. Israel estimates that her relief and resettlement program for 1 year costs approximately \$500,000,000.

The proposals of the House committee are commended by their realism, their equity, their concern for a major humanitarian problem—the resettlement of the homeless. Were we not compelled to devote so much of our substance to military and defense needs, I am sure that we would have increased the amount for economic and refugee aid in this underdeveloped region. I am frank in stating a further increase is justified, or further appropriations in the near future. And yet, in a very real way, this allocation for resettlement must be considered as a sound and effective contribution to our defense program. The resettlement of the Arab refugees will go a long way to end tension and bitterness in the area and to strengthen the economies of the Arab States. The resettlement of the Jewish refugees will greatly stimulate the industrial and agricultural output of the new State, and enhance its potential contribution, in manpower and matériel, to the defense of the Near East. Israel can be relied upon to play a major role in that cause. The Near East is in danger. It is the soft, undefended, exposed flank of Europe. Its very weakness is an invitation to attack. We must be aware of the dangers which menace an area so rich in resources, so strategic in location. The Near East may be next on the Soviet timetable. We must strengthen its outer defense, we must toughen its inner resistance. To do so is to promote the welfare and security of our own country and our own way of life. The recommendations of the committee in this area should be approved by the House. I urge such action.

Mr. RICHARDS. Mr. Chairman, I yield 8 minutes to the gentlewoman from New York [Mrs. KELLY].

Mrs. KELLY of New York. Mr. Chairman, the objective of the Mutual Security Act of 1951 is to give realistic expression and meaning to the foreign policy of the United States. Our objective now, as it always has been, is the establishment of a just peace. That objective can only be obtained by the collective efforts of the United States and the nations of the free world. The United States recognizes its responsibility as the leader of the free world. Thus we offer this mutual security program for 1952 as concrete evidence of our readiness to exercise that leadership.

The 1952 program is part of a long-range plan with definite emergency po-

tentiality which will enable General Eisenhower to do his job in building collective balanced military forces in Europe as a deterrent to Soviet aggression. Further, the plan will help bring about conditions in other areas of the world without which no area can be at peace.

Those who oppose this plan, while they may accept the objective, have two alternatives: First, declare war on Russia and her satellite nations; second, boost taxes and military appropriations that will far exceed what this bill calls for. Not to go through with this program would invite global war III. To refuse to assist any nation and to return to an isolation policy and await our turn to be attacked would probably mean the end of our friends as well as ourselves. This should not be the policy of a world power—a world power which has assumed and must continue to assume the leadership of the free world. This should not be the policy of a nation in its own self-interest. The mutual security program is our policy in our own self-interest. It is fundamentally and principally that. The security of the United States and the security of the free world are interdependent. The United States, geographically, economically, and politically, is more capable of survival alone than any other nation. But, for how long could it survive if the rest of the world were in the orbit of Russian domination? Does it make sense to abandon Europe or Asia or the Near East or Latin America to Soviet imperialism when we consider the strategic importance and economic value of these areas to the United States? Where would we get our critical materials? How could we meet the combined industrial potential of the Soviet Union and an occupied Europe? These are questions we must ask in our own fundamental self-interest. This is a question of survival, not of give-away programs.

The total cost of our defense is large. No one with any respect for the dollar—much less billions of dollars—can deny that. Even for a country such as ours, with our annual national production now well over \$300,000,000, it is a figure of importance. Congress appropriated \$56,000,000,000 for domestic defense. Today we authorize \$7,848,750,000 for foreign aid. These two figures interlock. The purpose of each is the security of the United States. The one builds up the other. The purpose of each is the security of the United States—security for American lives and homes against attack and the security of our rights and liberties as law abiding members of the world community.

What price freedom? The question is—are life and freedom worth the price? There is only one answer for Americans. The trouble is that too few Americans are fully aware of the situation, of the terrible danger that today threatens us and all free peoples. It is hard for most of us, looking out over our peaceful fields, our peaceful streets, to realize just how deadly serious is the danger we face. It was hard for us a few years back—up to, in fact, the morning of December 7, 1941—to realize how deeply we were involved in what was taking place in other parts of the world. Pearl Harbor

shocked us into awareness. We paid an awful price for the lesson, a price in blood, tears, and sweat as well as in dollars. In the security program now before us, both domestic and foreign, the United States seeks to avert another and a more ghastly Pearl Harbor. It seeks to avert world war III by rebuilding the free world, militarily, economically, and, I pray, morally. The total cost is staggering in money, lives, and disrupted homes. But, as Thomas Paine once said:

Heaven knows how to put a price on her treasures, and it would have been strange indeed if she had undervalued so precious a commodity as freedom.

So, Mr. Chairman, ladies and gentlemen, the job ahead is a big one, and it will require a wise and efficient administration. The wrong type of administration of this program could well wreck it.

**TITLE V—ORGANIZATION AND ADMINISTRATION FOR THIS FOREIGN AID ADMINISTRATOR**

Since the Congress, in the course of legislative history, has created many governmental agencies, too often the emphasis stressed by the Congress viewpoint has been directed to the subject matter of the law without proper accent on the framework of administration.

The Committee on Organization of the Executive Branch of the Government, in their reports to the Congress on reorganization, bore down very heavily on the structural defects in each executive agency. Congress, in the past, has centered accountability and responsibility in the secretaries of the various departments and agency heads. However, this has not always been accompanied by commensurate authority for the objectives for which the legislation was enacted.

Today, we consider the mutual security bill in this respect and we should not be laggard in applying the studies made for economy, efficiency, or the modern techniques and practices of sound business. It would be timely to keep in mind that when the Mutual Security Administrator is before the other body for confirmation, the membership as well as the Administrator will be very conscious of his degree of responsibility and accountability. It is only after he has entered upon his official duties and is engaged in the task for which he has been named that the degree of authority required will be made clear.

We on the Foreign Affairs Committee are going to watch the carrying out of this program by the new Administrator, and we will do so for the benefit of the House. Section 616 of the bill before us provides, in accordance with the Legislative Reorganization Act of 1946, that the committee will oversee the performance by the executive branch of this program in the interest of an efficient and economical administration. The task is great. I feel we have set up a new organization in this bill which will measure up to its heavy responsibilities. But we in the Congress must measure up to ours.

Mr. Chairman, I have been asked many questions on the mutual security program. I have set down some of

these, together with the answers which occur to me.

First. Why should the United States give aid to the entire free world?

Answer. To strengthen the will and capacity of all our associates outside the iron curtain so as to enable them to accomplish that which is required of them in pursuit of the security interests that we have in common with them.

Second. Must we give both economic and military aid, why not just military aid?

Answer. Security requires not only armed forces and capacity to produce them but also economic strength and stability in our associate nations. Without economic strength, they will fall under internal Soviet subversion.

Third. Can we not sit down with Russia and work out our differences thus eliminating this terrible drain on our taxpayers and manpower?

Answer. In the 6 years since the war, Russia has clearly evidenced her policy of territorial domination and extension and lust for world domination. This has ranged from the blockade of Berlin to inspired insurrections in the Philippines and Malaya and full-scale hostilities in Greece and Indochina and Korea. We are always ready to negotiate. The U. S. S. R. has continually frustrated that readiness, however.

Fourth. Are not the United States, British, and French forces sufficient to cope with Russia and her satellites?

Answer. Russia has the most massive fully mobilized military machine in the world. In the west alone she has over 200 mobilized divisions with good weapons and air and naval support—in the east over 5,000,000 men actually under arms. Communism also has a well organized and effective apparatus for promoting internal disturbance, weakening morale, and impeding economic recovery and progress in the free nations of the world. This internal threat must be guarded against just as much as the external threat.

Fifth. Does not our possession of atomic weapons overcome Russian manpower in troops?

Answer. We definitely know that Russia has and can produce atomic explosions and with time our initial advantage will be overcome to a point where we can no longer rely on that advantage alone and must mobilize all our component of military strength on land, air, and sea.

Sixth. Why must the United States carry this whole load?

Answer. Our country has the greatest economic strength and largest potential military power in the world. But our civilization cannot be maintained if the rest of the world is split up, subjugated and organized against us by the Kremlin. Furthermore, we are not carrying the whole load. We are doing our share in mutual security according to our capabilities. Our friends are doing likewise.

Seventh. When will this financial burden end?

Answer. The Soviet threat is of indefinite duration. They may soon start all-out armed aggression or merely carry

on their aggressive tactics short of all-out war for several more years. We of the free countries must make our defense preparations now so that our military forces can be built up and maintained as long as is necessary, and at the same time we must grow in underlying economic strength. This can be done because the free nations have 75 percent of the world's industrial capacity and most of the world's raw materials. If we can stave off a war, the financial burden will be well worth the price.

Eighth. Can the United States economy withstand the impact of this great burden?

Answer. While our resources will be strained by this total effort, this security job can be done. It is estimated that if necessary the United States can stand an even greater load. World war III would strain our economy even more, and probably would destroy it.

**EUROPE**

Ninth. Why is the bulk of the aid going to England, France, and our allies in Europe?

Answer. A free Europe is vital to United States security. Next to ourselves it contains the greatest pool of skilled labor and industrial capacity. Its military potential is a cardinal factor in building free world strength to deter Soviet aggression. Soviet subjugation of Europe would have direct and far-reaching repercussions in Africa, the Near East, the Far East, and Latin America, in sum—the entire world. The Russian intentions to engulf Europe are plain—an insecure Western Europe means an insecure United States. This is one point on which General Eisenhower is very emphatic.

Tenth. Will Western Europe ever be able to support its share of the burden to maintain a free world?

Answer. Our military and economic assistance will enable Europe to soon independently assume its responsibilities in defending the North Atlantic area and the other parts of the world where European countries have special responsibilities. We must remember that after World War II most of Europe lay devastated—trade stagnant, industry idle, housing woefully inadequate, hunger widespread, governments weak and unstable. Revival of industry and commerce are prerequisite to a revival of strength and hope for the peoples of Europe. Our Mutual Security Program is designed for that very goal.

Eleventh. Has our previous assistance to Europe such as the Marshall plan shown that it is aiding Europe in restoring its economies?

Answer. As a result of our assistance, most free European nations are producing at above 1939 levels and trade and financial stability have been restored. In several countries the Marshall plan goal has been reached 2 years ahead of schedule. Broadly, it can be said that the European recovery program is a year ahead of schedule. But now free Europe has another burden to carry—rearmament.

Twelfth. How do we determine the proposed amounts of aid?

Answer. We propose to provide only such aid which our free European allies could not supply currently for their own defense without payment in dollars and could not be financed by the recipient countries without excessive strain on their domestic economy. Such a strain would bring about internal Soviet subversion, which thrives on poor economic and social conditions.

Thirteenth. Why are we including Yugoslavia in our aid program?

Answer. Because Yugoslavia is maintaining a substantial armed force including an army of 30 divisions; its independence of Russia is of importance to us. We are providing only such funds as will arrest its deteriorated economy. We are prepared to help anyone who will help us in common defense.

#### NEAR EAST—NORTHERN AFRICA

Fourteenth. Why are we concerned with Northern Africa and the Near East?

Answer. This area lies athwart of the principal lines of sea and air communication to the entire Eastern Hemisphere. It is a source of prime strategic material such as oil—supplying three-fourths of Western Europe's petroleum requirements. Since World War II, and even prior to it, the Soviets have made this area a target for their propaganda, intimidation, and guerilla warfare designed to exploit social unrest and racial antagonism; i. e., Iran, Egypt, Israel, and so forth. It is one of the key areas of the world.

#### ASIA AND PACIFIC

Fifteenth. Why are we concerned with an area that is so far removed from ours, such as India, Burma, and so forth?

Answer. This area is especially vital to United States interests. It produces 60 percent of world tin, 95 percent natural rubber, all of its jute as well as many other commodities and minerals. It contains the only important petroleum reserve between California and the Persian Gulf. It accounts for approximately 30 percent of the world's population and contains large resources of strategic materials essential to a free world productivity.

Sixteenth. What evidences do we have that the Communists are attempting to infiltrate and encroach?

Answer. (a) The waging of war by satellites in Korea; (b) attempting to invade and take over Formosa; (c) supplying arms to the revolutionists in Indochina; (d) intensification of subversive tactics by Communists in all areas where actual war is not being waged.

Seventeenth. Are we expected to arm and equip this vast area?

Answer. No. These countries are not without their defenses against communism but they need help to start promptly on their plans to improve living conditions, public health, and confidence in their Government. The major problem is the discontent among large masses of their people because of disillusionment that their independence gained after World War II was not immediately accompanied by economic betterment. Our program will provide technicians and training in health, agriculture, transport, and communications. This will do much to better their conditions.

Our military is aimed at enabling these countries to preserve internal security and discourage external aggression.

#### LATIN AMERICA

Eighteenth. What threat are the Communists in Latin America to the United States?

Answer. There is definite evidence of Communist subversive activity. The Soviets and extreme nationalists have been fomenting anti-United States sentiments—existing social unrests stemming from low standards of living and ignorance are fully exploited.

Nineteenth. Why can we not continue to get Latin-American cooperation as based on the good-neighbor policy?

Answer. Latin-American governments' foreign policy reflects their public opinion at home. Under-cover political subversive activities by Communists and extreme nationalists can and does sway such public opinion. They look to us for leadership in the Western Hemisphere defense. If we do not aid them militarily and economically many of the moderate governments might be compelled by these subversive groups to withdraw from cooperation with the United States.

Twentieth. Why is this area so strategic to the United States?

Answer. During World War II, we were required to station more than 75,000 troops and use naval installations to guard our installations and critical areas in South America. Unless these nations are supplied with this aid which will give them political stability and military forces we will be called upon again to use our own troops and resources in the event of another such emergency.

Twenty-first. Just how dependent are they on us and we on them?

Answer. In 1950, we imported 35 percent of our total imports from them including 46 percent of our wool imports, 61 percent of petroleum, and more than 50 percent of lead, copper, nitrate, and sisal fiber. They in turn imported from us about 50 percent of their total imports including 30 percent of our total exports of machinery, 38 percent in chemicals, 40 percent in textiles, 44 percent in automobiles, 40 percent in iron and steel advanced manufactures. It is obvious that they represent an important segment of our economy.

Twenty-second. Cannot these governments supply their own military needs?

Answer. Except for Canada, the United States is the only significant producer of military equipment. They look to us for such aid particularly where the task is outside the bounds of defense of their national territory. In the interests of cooperative defense of our hemisphere the United States should assist in providing equipment and the training needed.

Mr. Chairman, I wish for the RECORD to correct a printer's error which appears on page 60 of the committee report on the Mutual Security Act of 1951—House Report 872. The last paragraph on that page reads:

It is not the intention—

And so forth. The word "not" should be eliminated. The word "immigrants"

in the next to last line should read "emigrants." These changes conform the language to the intent of the Committee that no funds authorized under the proviso to section 101 (a) (2) should be made available to any international organization, institute or office which has Communist countries in its membership.

Mr. VORYS. Mr. Chairman, I yield such time as he may require to the gentleman from Tennessee [Mr. REECE].

Mr. REECE of Tennessee. Mr. Chairman, it is unfortunate that ample time has not been allotted the House for a full discussion of this important subject but it seems that Congress usually gets in a hurry when we are giving money away. On the basis of the economic recovery in postwar Europe to the end of the calendar year 1950, there is today substantial ground for the contention that all forms of direct economic assistance might well be discontinued. I do not at the moment address my remarks to the program for military assistance, but only to the direct program of economic rehabilitation, as conducted under the Marshall plan. Such programs account for a considerable proportion of the funds authorized in the pending measure. Substantially, all such funds are unnecessary at this time and should be deferred until our own massive rearmament and retooling program at home is completed. To attempt further peacetime economic rehabilitation in Europe, Asia, Africa, and the western hemisphere, while at the same time pressing forward at home in an ever-expanding defense program, is to invite the disaster of inflation, bankruptcy, and ruin—and thus to undermine the defenses not only of America, but of all the free world.

The President's report on the accomplishments of the Marshall plan through 1950 informs us that at the end of last year industrial activity in Western Europe attained a new postwar peak approximately 38 percent above the average for 1938. Steel production in Europe closed the year 1950 at the annual rate of 54,000,000 metric tons, the highest on record. Production of motor vehicles, textiles, and shipbuilding were at new postwar highs. Electric energy production was 75 percent above 1938. Agricultural production was 10 percent above the prewar average. During the fourth quarter of 1950 export volume from Western Europe was 57 percent above the 1938 level. There is now but little unemployment in the NATO countries.

During the last quarter of 1950 more than \$800,000,000 of Marshall plan funds—the counterpart funds—were released by the United States authorities to reduce the national debt burdens of the participating countries. Here you have the whole picture—American taxpayers paying off part of the national debt of the Marshall plan countries; and this, at a time when every dollar of Marshall plan assistance was coming either directly from the United States taxpayers, or being added to the United States national debt, which already stands at the breath-taking—and dangerous—figure of \$1,653 per capita, and this in ad-

dition to the indebtedness of the States and various local levels in government.

However much one may say in defense of economic assistance abroad, as a theory of combating communism, the question yet remains whether we should continue to pile up the United States national debt with funds used, in part, to reduce the national debt of the beneficiary nations. America simply cannot carry the rest of the world on its back.

It has been charged that the Marshall plan, far from combating communism in Europe, actually has sustained and maintained numerous socialistic governments, which otherwise would have ceased to serve the march of Marxian theory on the Continent. The Marshall plan funds diverted to reducing the outstanding debt of these Socialist governments in Europe enabled those very governments to boast of the success of their socialistic ventures, at the direct expense of the American taxpayers. I call the House to a fitting mood of responsibility in this hour of grave decision. We must stop financing socialism the world around:

We are entitled to ask, also, whether the foreign economic aid we have furnished has, in fact, paid off in its major aim, reducing communism and the threat of communism in Europe.

In France, in the last general elections this summer, one vote out of four was for the Communist candidates. That is exactly the same as if the Communist Party had gained 12,000,000 votes in a United States national election, instead of the 1,156,000 garnered by the Henry Wallace Communist ticket in the 1950 election. Yet this is the result of our give-away endeavors in France—more than \$4,000,000,000 in Marshall plan assistance to France in 5 years—all for a drop of 6 percentage points in the total Communist vote.

A like story is told in the most recent Italian elections. There the Communists gathered two out of every five votes cast; as if the United States had registered 20,000,000 Communist votes in 1950. We had already poured \$2,000,000,000 into Italy in Marshall-plan aid, and were rewarded with an increase of 4 percentage points in the total Communist vote in the last elections.

This is indeed making very costly progress against communism at a snail's pace—and at the same time supporting Socialist governments from the Aegean Sea to the Baltic.

As one discerning American editor has put it:

The big question is how much dependence the United States can safely place upon the strength of nations whose armies, governments, diplomatic machinery, unions, industries, and educational systems are honeycombed with Communists and Communist sympathizers.

On the age-old legal principle of reasonable doubt, we should consider if the time has come to suspend all further programs of economic aid to Europe in favor of our own immediate defense needs.

Lavish aid for bankrupt Socialist governments overseas is depriving millions of American communities of sorely needed public-service facilities. So much

taxes are rolling out of the counties to these give-away programs overseas, that there is no more taxing power available at home to build sorely needed new schools, new hospitals, new sewerage systems, roads, airports. In a very real sense, America is denying the urgent needs of normal American growth and development to launch new aid programs abroad. Last year, right here in America, the 48 States and various local governments spent only \$5,500,000,000 on public education. Yet, in this bill we are asked to give much more than this in foreign aid, a substantial part of which is to go for schools, public health, and internal improvements in other lands. The question is, how can we justify it? The share of the cost of this bill to my own State is \$118,000,000.

In defense of these fabulous—if somewhat soft-headed gifts abroad—the administration tells us that such aid is absolutely inescapable if we are to encourage the nations to defend themselves against the threat of Communist invasion.

Of course, there is no logic whatever supporting the theory that people and nations must be bribed by the United States Treasury to defend themselves.

Further, there are no figures to support the suggestion that these nations are making any appropriate effort to carry their fair share of the free world's defense load.

With our current military and defense assistance budgets ranging in the neighborhood of \$80,000,000,000 for the fiscal year ending June 30, 1952, this country will spend about 23 percent of her national income on defense items. No other country in the North Atlantic Treaty Organization—NATO—approaches that percentage in total defense spending.

Britain will spend about 9 percent of her national income on her defense budget, and Canada will spend only 8 percent of her national income for military items—both a far cry from the 23 percent already earmarked by the United States. France will do little better in this percentage table than England; her total is fixed at 9.7 percent of the national income. Other figures: Belgium-Luxemburg, 4.3 percent; Denmark, 2.8 percent; Italy, 6.3 percent; Netherlands, 7.5 percent; Norway, 5 percent; Portugal, 2.9 percent.

Clearly, the nations of Europe are leaning heavily on the United States Treasury. Why should it not be a fair and reasonable proposition for the United States to limit its overseas assistance to the same percentage of effort as Europe puts forth in its own behalf? If defense is deemed worth only 3 percent of the national income to any nation, why should the United States contribute enough to make that nation's defense budget equal 5 percent of its income? Defense can never be worth more than the value put on it by the nation involved. If any nation in Europe is satisfied with a 3 percent defense budget, it likely will have a 3-percent defense system, regardless of how much Mr. Acheson may seek to pour into that country in arms assistance.

Since 1940 the United States has budgeted \$128,000,000,000 for overseas

assistance, including the 1952 aid program now under considerations. This figure, of course, has been on top of \$178,000,000,000 spent and budgeted for the fiscal years 1945-52 on our own defense programs. This makes a total of \$306,000,000,000 already allocated out of American production for world defense against the Communist threat. If the other nations are unwilling to carry their fair and equal share of this load of defense, the American people obviously are being deceived and defrauded into a quagmire of paper defenses—and at a cost which threatens the solvency and survival of the Nation. The one great bulwark for the defense of freedom against Communist aggression is America's system of enterprise of free labor and free management, which has given us this great productive capacity. If we exhaust our own economic resources, the cause of freedom will be lost everywhere.

The time has come when American policy must look firmly to the defense of America.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from New Hampshire [Mr. MERROW].

#### SOVIET IMPERIALISM

Mr. MERROW. Mr. Chairman, Soviet imperialism is the direct cause of the present dangerous international situation. Following a policy of brazen aggression, the Soviet Union has spread its control and influence over many nations. In 1939, Soviet Russia had an area of approximately 8,000,000 square miles and a population slightly in excess of 170,000,000. The Moscow-dominated world today includes over 13,000,000 square miles, with a total population of about 750,000,000 people.

The Soviet Union maintains the most extensive military machine in the peacetime history of the world. Its position is external aggression. Soviet-dominated Communist parties are ready to spearhead internal subversion. These are the simple facts that compel the free world to guard its freedom by increased armament.

#### COMMUNIST ACTIONS AND PHILOSOPHY

The Communists by their actions have demonstrated to the world that they intend to dominate and impose their philosophy upon the entire earth by any method possible, be it by infiltration, forceful seizure of governments, or by military conquests. One has only to read their pronouncements to know that they have sworn eternal hostility to the free institutions developed over many years by the efforts, the sacrifices, the blood, and the lives of those who have believed in the principles of the free democratic world. According to Soviet ideology, democratic and free ideals must be destroyed. In their place they plan to establish totalitarian tyranny. While we meet here today there are millions of people who are in the chains of slavery clasped upon them by the Soviet Government.

Never before have free civilizations been challenged with such viciousness and with such sinister determination to destroy all that we hold valuable in human life. Never before in the long history of man's rise from his primitive state

has he been confronted with so many dangers as beset him in the current world. One can predict without fear of error that the decade of the fifties will be recorded by the historians of the future as one of the most crucial 10 years in man's long difficult struggle to establish a stable and decent world in which people may live out their lives from imminent enslavement and death.

We must keep constantly in mind the tenets of communism which have been dinned into the ears of people for many years, the acts of the Soviet Union, the monotonous recalcitrance of their diplomats, and the utter refusal to cooperate in endeavors to establish any kind of an international society of stability and peace. In view of this, we must under no circumstances lessen our determination to increase our own strength and the strength of our allies as we gird ourselves to protect and defend the free world. In the event that the aggressor should decide to make good his oft-stated intention of dominating the free world by a military attack we must be so well prepared that his rashness will meet with complete and utter defeat.

#### PHONY PEACE OFFENSIVE

We must first recognize that the current peace offensive is but a phase of Soviet diabolical planning designed to ease and relax the nations of the West in their concerted efforts to construct defenses. The word peace as it is employed in the upside down language of Soviet diplomatic talk is fundamentally a cover for policies and programs whose sole objective is the extension of Soviet power. The peace offensive is designed to produce the establishment of preconditions for the ultimate domination of the world by the Soviet Union.

The current emphasis placed on peace as reflected by Malik's proposal for a Korean cease-fire, the extensive publicity for a five-power peace pact, and the reappearance of the theme "peaceful co-existence" are put forth to foment disunity among the free nations. All these moves are made to encourage relaxation of the free world in its defense efforts. The Soviet Union has tested the firmness of American resolve and the solidarity of the NATO alliance against a background of war in Korea. They are now testing them against a background of peace protestations.

The Kremlin is disturbed by the rapid improvement of American fighting strength and the increasing success of the program adopted by the free world to construct military power sufficient to thwart the threats of the aggressor. The Kremlin, anxious to weaken the NATO structure, is seeking to prevent Germany from making full contribution to the defense of Western Europe, is trying by every means to reduce the scope of our rearmament program, and is undoubtedly seeking to bring about an outbreak of hostilities in many sections of the world. Through monstrous lies and vicious propaganda, Moscow is striving to confuse all people, to foment unrest, to produce dislocation, to frustrate all attempts to create a peaceful international society, and is ceaselessly pushing a program of world domination.

Recent evidence of bad faith on the part of the Communists is their refusal to reach any agreement in Kaesong. Vice Adm. Charles Turner Joy, who is chief of the Allied delegation, recently said to them:

You are engaged in these conferences only to present demands, not to negotiate solutions.

Communist China with whom Moscow is cooperating has given ample evidence that the Communists will not negotiate in good faith. They have clearly demonstrated that the Malik proposal was not made with any desire to reach solutions in the Far East.

In all probability the phony peace offensive will increase in intensity. We must not be misled by any of the statements emanating from the leaders of international communism in Moscow. Under no circumstances should we relax in our determination to build rapidly our defenses. To the various suggestions coming from the leaders of the Soviet Union in their peace statements, we must continue to answer with resounding action as we did last week in passing a military appropriation bill of over \$56,000,000,000, as we did this week in approving on Tuesday over five and one-half billion dollars for military construction, and as I feel certain we are going to do in making authorizations to aid friendly nations as proposed in the bill under discussion. This program for help to European and other free nations in the Near East, the Far East, and Latin America who are with us in this greatest enterprise ever undertaken by freemen is an integral part of the defense program of the United States. The current enterprise in which we and our allies are engaged has as its goal the continuation of a way of life that holds inviolate the dignity of the individual, a way of life that has as its very core the finest ideas and the highest ideals to which the human spirit is capable of aspiring.

The United States today stands in a position of leadership unequaled in all the decades of human history. This Republic has an opportunity the like of which destiny has never accorded any power. The struggle that is now joined is between freedom and totalitarianism. This is an age-old conflict, but today it is being fought on a more extensive scale than ever before. The outcome will be even more significant than the outcome of previous engagements which freemen have had with tyranny.

#### EVIDENCES OF SINCERITY

If the Kremlin is actually and sincerely interested in establishing a peaceful world, the Soviet leaders could quickly and easily demonstrate this by straightforward action. Action would speak louder than any of their statements. Let the Soviet Union conclude a treaty of peace with Austria. Let them live up to their solemn pledges made during the war. For instance, let them hold free elections in Poland and other countries under their domination. Let the Soviet Union cease its vicious propaganda against the United States and other free nations, release from prison those who are unjustly incar-

cerated, extend freedom of travel to their own citizens and to the citizens of other countries who wish to visit Russia, stop the ceaseless agitation through Communist Parties all over the world, actually begin the demobilization of the huge Red military machine, display a willingness to reach solutions to international problems at the conference table, cease the chronic habit of blocking the work of the U. N. and then the free world would be convinced that the Politburo means what it says.

Were this to be done, the Kremlin would have no difficulty in convincing the world that it is actually concerned about peace. Until such actions are forthcoming, there is no alternative but to construct our defenses at top speed. By the record and by the actions of Moscow, there is nothing to indicate that the Communists are sincere when they say that they desire peace. There is nothing to indicate that they do not intend to strike when they consider the time propitious. Until the actions of the Soviet Union show that the goal of world domination has been forsaken and that the Kremlin is willing to live and let live, we must be prepared for any possible assaults which may be perpetrated upon us.

#### PROPOSED LEGISLATION

The Mutual Security Act of 1951 which we are currently considering is a bill to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security.

Section 2 contains a declaration of purpose. The proposed legislation is for promoting the foreign policy of the Republic by authorizing military, economic, and technical assistance to friendly countries. This is for the purpose of strengthening the defenses and the security of the free world. This measure is as much a national defense measure as are the appropriations for our own Armed Forces. It is an integral part of our national defense budget.

#### TITLES IN THE BILL

There are six titles in the bill. Military and economic aid is provided for Europe, title 1; for the Near East and Africa, title 2; for Asia and the Pacific, title 3. Title 5, organization and administration, sets up a single administrator to handle all types of aid patterned along the lines of experience gained by the ECA. Title 4 provides assistance to the American Republics, and title 6 is a section of the bill that contains a series of general provisions for the purpose of carrying out the act.

#### PROPOSED AUTHORIZATIONS

The Mutual Security Act authorizes \$5,028,000,000 military aid for Europe; \$415,000,000 military aid for the Near East and Africa; \$530,000,000 military aid for Asia and the Pacific; \$40,000,000 military aid for the American Republics. It authorizes \$1,335,000,000 economic aid for Europe; \$175,000,000 economic aid for the Near East and Africa; \$248,750,000 economic aid for Asia and the Pacific; and \$22,000,000 economic aid for

the American Republics. Under title 6, general provisions of the bill, a total of \$55,000,000 is authorized for the acquisition of strategic materials.

The total authorization for military and economic aid amounts to \$7,848,750,000. Of this \$6,013,000,000 is for military assistance, and \$1,835,750,000 for economic help. The administration requested for the various titles a total of \$8,500,000,000. The committee cut this by \$651,250,000.

#### EUROPE NECESSARY TO FREE WORLD

Although aid is provided in this measure for friendly nations in the Near East, Asia, and the American Republics, the major part of our assistance is to go to Western Europe. In view of this I am going to devote my remarks to this part of the world. This does not mean, however, that our help in other areas is of any less importance.

One does not need to argue how necessary a free Europe is to the continuation of the free world. This continent has a population of over 200,000,000 people, a great and growing productive capacity, and a cultural heritage that forms the basis of our own civilization. In the interest of the United States security, we must continue to do our part in helping Western Europe so that its people, the great resources of the continent, and its productive capacity will be harnessed on our side in our great effort to contain the vicious threat of communism and will not fall into the hands of the Communists. Should this latter eventuality occur, the balance of power would well be tipped against us. It is difficult for me to see how the North American Continent could continue to exist as an island of freedom in a world enchained and enslaved.

Europe and the other friendly nations of the world need United States assistance. All free peoples must exert the greatest possible effort in their own behalf in making as much of a contribution as they can for their own self-help. By doing this we and they working together will be empowered to realize the greatest hope of man—the perpetuation of free institutions.

#### UNIFICATION OF EUROPE

The subject of European unification has aroused great interest in this House, in other parliaments, and in the foreign offices of free countries. As recently as the 3d of July I had the opportunity of listening to Gen. Dwight D. Eisenhower deliver a speech at a testimonial dinner given to him by the English Speaking Union in London. In his address, one of the finest I have ever heard, he emphasized European unity.

The general said:

But with unity achieved, Europe could build adequate security, and at the same time continue the march of human betterment that has characterized western civilization. Once united, the farms and factories of France and Belgium, the foundries of Germany, the rich farmlands of Holland and Denmark, the skilled labor of Italy, will produce miracles for the common good. In such unity is a secure future for these peoples. It would mean early independence of aid from America and other Atlantic countries. The coffers, mines, and factories of that Continent are not inexhaustible.

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Dependence upon them must be minimized by the maximum in cooperative effort. The establishment of a workable European federation would go far to create confidence among people everywhere that Europe was doing its full and vital share in giving this cooperation.

So effective was General Eisenhower's speech that former Prime Minister Winston Churchill who was present at the banquet termed it one of the greatest to which he had ever listened.

#### CONGRESS SETS THE GOAL

The Congress in the Economic Cooperation Act establishing the ECA stated it to be the policy of the people of the United States "to encourage the European countries through their joint organization—the OEEC—to exert sustained common efforts to achieve speedily that economic cooperation in Europe which is essential for lasting peace and prosperity." In reviewing the act the following year, the Congress further emphasized its belief in the need for the closest possible cooperation among the European countries by stating the same thought more explicitly and adding to the preamble that it was "the policy of the people of the United States to encourage the further unification of Europe."

Although today Europe is neither economically integrated nor politically federated, the concept of European unity which the Congress encouraged has already found expression in the creation of several important European organizations. Long strides forward have been made in the economic, political, and military fields.

#### ORGANIZATIONS FOR UNITY

The several organizations which have promoted the unity of Europe include the Brussels Treaty signed in March 1948; the Organization for European Economic Cooperation; the North Atlantic Treaty Organization; the European Payments Union; the Council of Europe; the Schuman plan; and as recently as July 24, the establishment of a plan to merge the military forces of Europe into a combined authority.

#### THE ORGANIZATION FOR EUROPEAN ECONOMIC COOPERATION

In April 1948, the Marshal-plan countries established the Organization for European Economic Cooperation. This was created to bring about sound economic conditions and ultimately to free themselves from outside assistance. The countries were determined to reduce trade barriers progressively and set up institutions for achieving the goal of economic unity.

After World War II the countries of Europe to conserve their dwindling reserves of foreign exchange for the purchase of commodities essential to recovery, and as a bargaining device to induce other countries to accept its exports, maintained a wall of restrictions on imports chiefly through import quotas and currency exchanges. To break down these barriers the OEEC instituted its trade-liberalization program. This provides basically for a progressive removal of quantitative barriers to imports from other OEEC countries. As a result, trade in Europe has increased far above

its prewar levels. It is moving in a more efficient pattern.

#### EUROPEAN PAYMENTS PLAN

The European Payments Union, established by the OEEC countries on September 19, 1950, provides essentially for a multilateral system of intra-European payments. Deficits incurred in trade with member countries can now be offset by surpluses in trade with other members. As a result, the EPU reduced bilateral payments difficulties among the OEEC countries. The countries are now concerned rather with their over-all position in the EPU. It is possible for an importer in one OEEC country to buy from an efficient producer in another OEEC country as a result of the improved system of intra-European payments.

#### COUNCIL OF EUROPE

In March 1949 the Western European countries established, with headquarters in Strasbourg, the Council of Europe composed of two organs, a Committee of Ministers and a Consultative Assembly. During the recent testimony on the mutual security program, I asked the Honorable George W. Perkins, Assistant Secretary of State for European Affairs, for his estimate of the work of this body. He replied:

The Assembly has debated many problems of European significance, including social security, human rights, full employment, treatment of refugees and the elimination of visas, and has made recommendations to the Committee of Ministers. Although the powers of the Assembly are currently quite limited, the Council of Europe serves as a focal point for the movement toward a United Europe, as a unique forum for consideration of problems from a European point of view, and as a testing ground for the concept of a European parliament.

Such procedure is unique among international organizations. Because of its composition and the attendance at its sessions of leaders like Winston Churchill, Spaak, and Bidault, the Consultative Assembly of the Council of Europe has been in a position to play an important role in marshaling public opinion in Europe on a wide variety of pressing issues. It is stimulating action in fields ranging far beyond those within the direct responsibility of the council.

#### THE SCHUMAN PLAN

In the spring of 1950, Mr. Schuman proposed that the entire French and German production of coal and steel should be placed under a joint high authority within an organization which would be open to participation by other European countries. In first announcing the proposal Mr. Schuman declared that—

This proposal will create the first concrete foundation for a European federation which is so indispensable for the preservation of peace.

Similar sentiments were expressed in April of this year when representatives of six nations—Belgium, the Netherlands, Luxemburg, France, Italy, and Western Germany—signed the treaty for the creation of a European coal and steel community.

The treaty is now before the parliaments of the member states for ratification. If the principles embodied in the

treaty are fully realized, the coal and steel industries of the six countries will become a single community.

#### ORGANIZATION OF DEFENSE COMMUNITY

As recently as July 24, a spokesman of the French Government announced that the delegates of five European countries, France, Western Germany, Italy, Belgium, and Luxemburg, had agreed on the principle of merging their national military forces into a combined European army under the authority of a European defense minister. Such a merger would eliminate many of the obstacles to a substantial German troop contribution to European defense. It could also be hoped to increase the combat efficiency of the fighting forces through greater standardization of methods and equipment. This combined army, of course, would be placed under the supreme control of General Eisenhower, just as is now true of national forces.

#### FUTURE PROGRESS

The people interested in international affairs on both sides of the Atlantic agree that the future unity of Europe, politically, economically, and militarily, including the integration of Western Germany, is a prerequisite to the full development of the economic and military defenses of the Continent. As we have given economic aid to Europe, we have constantly emphasized the necessity of reaching agreements with the countries designed to achieve this purpose. As I have previously stated, we wrote into the ECA Act that the policy of the people of the United States is to encourage further unification of Europe.

Mr. Paul Hoffman as head of the ECA pushed the program of integration vigorously. General Eisenhower is doing everything possible to further progress toward the accomplishment of this goal. I am sure that the statesmen of the Continent will work unceasingly for the accomplishment of an objective upon which depends not only the future of their own people but to a great degree the future of the free world.

#### AGREEMENTS

I have contended over a long period of time that there should be definite and precise conditions agreed upon in connection with the extension of economic and military aid. Failure to work out conditions mutually beneficial to both parties means that we are doing not only ourselves but our friends an injustice. On several occasions during the hearings I have discussed this subject in connection with our economic and military aid. I am particularly pleased that in section 503 of this measure, entitled "Eligibility for Assistance," are these words:

No military, economic, or technical assistance (other than assistance provided under Section 408 (e) of the Mutual Defense Assistance Act of 1949, as amended) shall be supplied to any nation in order to further military effort unless the Administrator finds that the supplying of such assistance will strengthen the security of the United States and unless the recipient country has agreed to join in promoting and maintaining world peace and to take such action as may be mutually agreed upon to eliminate causes of international tension.

Such agreements shall include appropriate provisions for such country to (1) fulfill the military obligations which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party; (2) make, consistent with its political stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world; and (3) adopt all reasonable military, economic, and security measures which may be needed to develop its defense capacities and to insure the effective utilization of the economic and military assistance provided by the United States.

No economic or technical assistance shall be supplied to any other nation unless the Administrator finds that the supplying of such assistance will strengthen the security of the United States and promote world peace, and unless the recipient country has agreed to join in promoting international understanding and good will, and maintaining world peace, and to take such action as may be mutually agreed upon to eliminate causes of international tension.

Certainly the Administrator should have power to halt assistance unless such aid will "strengthen the security of the United States." No country should have any hesitancy in agreeing "to join in promoting and maintaining world peace." To carry out the military agreements in paragraphs 2 and 3 of section 503 it will be necessary, in my opinion, to accelerate integration. The development and the maintenance of the defense strength of each nation and the defensive strength of the free world will depend upon how closely the countries are willing to work together.

This bill also strengthens the power of the President to terminate assistance under certain conditions. Briefly these conditions fall into two categories: First, where the President determines that assistance "is no longer consistent with the national interest or security of the United States"; and, second where a recipient nation contravenes a finding by one of the two major organizations of the United Nations. The purpose of this aid is to assure peace and stability among the nations of the world. There is no reason, therefore, why this Government should give aid to any nation which seeks to upset peace and security.

Although there is much to be accomplished, we can, I believe, look forward with anticipation that increasingly greater concerted efforts will be made in erecting speedily the defenses of the Western World. The section of this bill entitled "Eligibility for Assistance" provides, as I view it, positive, forward-looking, dynamic leadership so necessary in these troubled times.

#### PART OF THE DEFENSE EFFORT

This measure is a vital part of our total defense effort. If we feel that the friendly countries of Western Europe and the other free nations as mentioned in this measure are necessary in the struggle to continue the free way of life; if we believe that the defense efforts in the west, in Greece, in Turkey and in the Far East are playing a part in maintaining our own security; if we have confidence in the leadership of General Eisenhower; then it necessarily follows

that there be no hesitancy in authorizing sufficient funds for economic and military assistance to accomplish the task of strengthening the free and friendly world.

Our ECA aid and our military help to Western Europe and to other parts of the world have already proved successful. In the midst of a program that is achieving results, drastic cuts would hamper our efforts. By quickly passing this measure we will provide the free world with a great psychological lift and we will have informed everybody in no uncertain terms that we intend to continue the programs against aggression which we have started. In an editorial entitled "Foreign Aid—Making It Count" the Christian Science Monitor of August 10 used these telling words:

But in building a bridge it is not of much use to construct a 1,800-foot truss to cross a 2,000-foot river.

#### THE GREAT DECISION

The battle of this century is to preserve the free way of life against forces that would destroy the last vestiges of human liberty. In two world wars we have fought and sacrificed to preserve free civilization from being subjected to absolutism. Even now, American boys are fighting and dying that the way of life we cherish may continue. From one end of the world to the other, freedom is being challenged. This is a struggle that will continue for no one can predict how long. The great decision is to remain steadfast in our purpose and in no respect turn away from the task that we have set our souls to perform.

Generations before us have fought, struggled, bled, and died for liberty. If we make the right decision now we hope that our generation will be spared a renewal of that conflict. Our friends across the sea are mobilizing their defensive efforts. We are also mobilizing. They are increasing their striking power. We, too, are increasing our striking power. All of us must work harder, move faster, and face the future with an inflexible determination less the noblest cause for which man ever fought should be lost to the hosts of tyranny. Just as we have begun to increase our own military strength in this difficult and dangerous period so I am confident that we will provide all that is necessary and all that lies within our power in helping our friends so that we and they, working together, may surmount the Communist forces threatening to destroy us.

The one language the Soviet Union respects and comprehends is the language of force and military preparedness. Through our defenses we will be able to preserve the peace. The free world by rapidly increasing its military forces will, I am confident, be able to prevent a general war. By rapidly augmenting our striking power we can avert a possible armed attack.

There is no alternative to rearming. Freemen must make ready to defend their liberties. Freemen must be determined that their way of life shall continue. As we march to the future shoulder to shoulder with our allies let us make the preservation and the perpetu-

ation of freedom our goal, and let us keep within our hearts a deep and consuming love for our way of life that places supreme value on the dignity of human beings. In doing this we will be successful in our endeavors and will have the eternal satisfaction of knowing that we are making an imperishable contribution to the establishment of a free and peaceful international society.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, surely there could be no justification for the bill that is before us today on our whole vast program of military aid to other countries if it were not for a few very simple facts. The first of the facts is that we are at war. The gentleman from Wisconsin [Mr. SMITH] a while ago said that the course we are following is the course to war. Let us not fool ourselves about it, the war is already here. Some of it is a cold war and some of it is a hot war. The question now before us, Mr. Chairman, is not whether we are in a war, but how we are to win the war we are in.

Another hard fact is that it is a war for our very survival.

It is a global war. It involves every continent and country and people in the world.

It is a war for the minds of men as well as for their territory and resources. In those countries where it is still a cold war, it is just as intense a struggle for the minds and allegiance of men, perhaps more so, than it is in the areas where it has already erupted into shooting war.

It is a war in which the strong, cruel enemy, which set out four decades ago to destroy our freedom, is using and has announced in advance that he will use every conceivable weapon. Way back in 1923 Mr. Lenin said, "We will use every ruse, every dodge, every trick, every cunning, every illegal method, every deception, every concealment, every veiling of the truth."

Our enemy is not fighting a gentleman's boxing match according to the Marquis of Queensberry rules. If we hit below the belt, we are ashamed of it and apologize. In contrast, he prefers to hit below the belt, because that gives him greater advantage. His only concern is to win. There are no restraints. That is the kind of ethical standard, if one can call it that, which the Soviet leaders frankly announce as the foundation principle of their whole regime. They are using every conceivable weapon; we must use every honorable counter-weapon.

Mr. Chairman, I regret we are in a war, and with such an enemy. I do not think it was necessary or unavoidable. I tried early to get our Government to do the things, especially in Asia, which I believe might prevent it. I am sure the Members of this House will agree that on every possible occasion I have warned that unless there were certain changes in our policies, they were bound to lead us to where we now are. And I cannot trust to get us out of the mess the same men who got us into it. But

the big point still remains: However unnecessary and inexcusable, here we are. It is our country that is at stake. What do we have to do to save our country in this struggle to the death? Do we of the Western Hemisphere want to fight the enemy of all freemen alone—one-seventh of the people of the world against six-sevenths? Or do we want to fight it with allies, and to have those allies as strong and united as possible? Do we want to fight alone—or as part of a free world that understands what the stakes are, what the enemy is up to, and what we must do to survive? If we were to take a text today, it ought to be: "What must we do to be saved?"

Surely, everybody will agree that it is better to have allies, if we can, and it is better, if there has to be fighting, that it be as far away from our country as possible. There are lots of people in Europe and Asia, who want to fight for their own soil and liberty and do not ask or want us to do their fighting for them. They want the chance and the arms to enable them to do it for themselves. Surely, it is better to help them fight for themselves than to insist on the questionable privilege of doing all or most of the fighting and dying ourselves.

The big question marks are: Can we get allies who will be dependable? Can we get allies who will be an asset rather than a drain? Where and how?

The Committee on Foreign Affairs at the very beginning of our consideration of this momentous measure sent eight of its members along with four from the Committee on Armed Services and six from the Committee on Appropriations to Europe to study the situation first hand and to find out if we could what the prospects are. As I saw it, there were about four main determinations to be made. First: Are the peoples and governments of Western Europe willing to make an even more vigorous individual effort to build up their own strength, economic and military, than they have made heretofore?

Second. Are they willing to work together in a more vigorous collective effort better than they have been making? Is there a coordinated plan? Because, just to help each of the 18 countries of Western Europe back to what it was before the war—to restore France as she was, or to restore Norway as she was, or to restore Belgium as she was, and so forth, is not good enough. They were going downhill before the war; it only hastened Europe's deterioration. How can we get them to build up and unite their strength for defense of the whole region so that it will be a Western European resistance, and not resistance by a handful of completely separate economies and military establishments?

Third. Are they making good use of the aid we are already sending to them? There is no use sending any more if they are not. We wanted to see with our own eyes whether further aid to them will be used advantageously, or just as advantageously as if we were sending our own boys there to use it.

Fourth. How much aid from us will be needed to enable them to do this job? Should we revise up or down previous

estimates that we have had? What are the prospects?

Mr. Chairman, I have just a little time to sketch or suggest, at the request of our committee, some of the answers as we found them. On the first question, the score is good. They are working hard. Morale in Western Europe has improved unbelievably since I was there in 1947, studying whether or not we should embark upon the economic phase of the program, the Marshall plan. For example, in England there is no unemployment. There is not an empty or idle factory. Whereas the consumption of goods in America has increased 43 percent since VE-day, consumption in England has increased only 6 percent. They have put themselves under strict discipline. I do not like many of the things in the economic philosophy of the government in power. I think they could do far more if they would take some of the governmental shackles off their people. But, as for the will and determination of the British people to stay free—you can count on them.

Go to Norway. Here is a little country with 3,000 miles of seacoast, and 3,000,000 people. They have no need for a big army because there can be no opportunity to maneuver a large army. What they need are small, efficient mobile units able to hold this pass or that strategic air base or a communication center against attack by parachute troops who might land, and so on. They are using well the tanks and the fighter planes we are sending to build the particular kind of defense they need.

Let me report one instance of how determined those people are. There is a labor government—a government which was in closest cooperation with Communists up until a few years ago when the Communists took off their mask and the Norwegians saw that the Communists were not interested in helping Norway, but were interested only in using it for Russia's purposes. The labor government broke with the Reds and this spring passed a law imposing a 10-percent sales tax right across the board, food and medicines and clothing—everything. Perhaps no government but a labor government could do that. If any other party were to do it, I suppose it would be charged that big business or selfish interests were imposing hardships upon the working people. But that is an earnest of the determination of these strong and rugged people to cut down their own living standards so that they can have the resources necessary to defend themselves against the force which they see is their enemy, as we see it is ours—I hope.

When you come to Holland, she has a lot of special difficulties because of her setting free the asset part of her empire, the Dutch East Indies, with their great riches in oil, spices, rubber, and so forth. That dealt her economy an awful blow as far as earning power and especially income in hard currency is concerned. Furthermore Holland needed a navy to protect her Asian possessions and trade therewith. She was proud of being a naval power. Now she does not have much more need for a navy than the

State of Minnesota. When Dutch emphasis and effort for so long in the past have been on naval power, it is hard to abandon their traditions in order to shift around and put their effort into building land strength which is what the West Europe team needs.

Belgium is in the best condition of any of them, in part because of the wise and courageous moves to restrict purchasing power, halt inflation, and restore maximum incentives to work and produce within the Belgian Government took at the end of the war. They have great industrial centers where they can make enough steel and small arms ammunition, and some of the other military items necessary for rearmament, not only for themselves but also for other European countries. This points up one of the greatest difficulties we have had in getting the Europeans to work together primarily for the defense of the whole area. Belgium can produce small arms that for example, France and Italy need. They in turn can produce certain things that Belgium needs. Yet Belgium is not producing all she can for these other countries or they for her. They have not been able to agree on a procedure by which the exchanges, the financial transactions, can be handled. If France gets small arms from Belgium, she had to pay for them. So she prefers to get them from us and our taxpayers pay for them.

At the same time we are making mine sweepers for Belgium when there is idle shipbuilding capacity in some of the other countries. But she would have to pay them for mine sweepers they build, while you and I pay for the mine sweepers we build and send to her.

The problem is to devise a financial plan whereby the resources and currencies of all the countries can be used to mobilize the full strength and productive capacity of all of them. They have been working on it for 6 months and our experts there say they are sure it can be accomplished. Only as each is producing its maximum for the defense of Western Europe can we rightly expect the United States to make up the deficits between what they need and what they can produce for themselves.

A word about Italy and France. They were hardest hit in the war. France suffered most under the Nazis, and Italy under the Fascist regime. They are in trouble. Italy has made the more spectacular comeback with less natural resources. I would say that our aid to Italy has accomplished as much as in any country we have assisted, with the possible exception of Greece. Levels are not yet as high in Italy, but they have come up further than in any other of these Western European countries.

We spent a day watching Italian forces on maneuver in northern Italy. They had only about 3 days' notice so they could not have fixed it up especially to impress us. They put on as good a demonstration of coordination between infantry, tanks, tactical air support, and artillery as one could ask from any army, and the men in the ranks were Italian draftees who had been in the service only from 7 to 14 months. The Italians are getting back their pride, their morale,

their sense of self-respect that were so badly damaged by their performance in World War I, and even more under Mussolini. They have more to fight for now. They are making a fine effort.

In summary, the countries individually are doing a good job. There is a great deal more to be achieved in getting them to work more effectively together. I believe we have to go ahead with this program with our eyes open to its dangers and its possibilities, doing our utmost with moral support, our organizational know-how, and a certain number of our military, naval, and air units to tie the thing together, until they are strong enough and united enough to go it alone. That is quite as much to our interests as to theirs.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HAYS of Arkansas. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. JUDD. I thank the gentleman.

So on the question of individual effort to defend themselves and to increase their production, I give them a good score—at least 80 percent. It is perhaps no better than 50 percent on their improvement in collective effort.

In each previous year I have tried to get into the ECA Act or the Mutual Defense Assistance Act language that would say it is the policy of the people of the United States to encourage the economic unification and political federation of Western Europe. Our committee accepted it this year. It is in the bill before you. It does not mean we are trying to impose our will on them or interfere in their affairs. It is merely saying to them, as a doctor says to a sick patient, "These are the conditions you must meet if you are to recover. If you are willing to fulfill them, we can help you. If not, you had better call another doctor." Unless Europe will make a far more vigorous collective effort, our aid will not succeed.

Why do we in the United States have greater wealth and strength than they? It is not because we are any smarter than they are. It is not because we have greater resources than they have in toto; they have greater resources than we. It is not because we have been spared the destruction of two wars in a decade; that is a factor in the situation, but not the major one, for the pattern of greater production and strength here had been established before the wars came along. The real reason is the political and economic system our fathers established here, under which we are 48 political units in our federation, but we are not 48 economic units. We are only one economic unit.

That means we can bring iron ore from my State, Minnesota, and coking coal from West Virginia together to make steel in Chicago, Detroit, Toledo, and Cleveland, without going through half a dozen customs barriers, without half a dozen currency changes with their waste, delay, confusion.

Likewise, Western Europe has got to move in the direction of at least economic unification so that the whole region becomes more and more a single

trading area or they cannot achieve adequate strength, either economic or military. We are not trying to coerce them; we are trying to help them overcome the national pride which while unavoidable and understandable must give way to increasing unity if any of them are to survive.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for one question on point No. 2?

Mr. JUDD. I yield.

Mr. CRAWFORD. The Senate subcommittee that has just returned from Europe reports that the French take the position that they will not permit Spanish soldiers in France; they will not work with the Spanish; and Mr. Attlee, I believe, reports that the British do not want to have anything to do with Spain. What are you going to do to meet that practical situation?

Mr. JUDD. That is a difficulty that we have discussed frequently in committee and one which disturbs us. The French and British Governments face very volatile political situations at home and they feel they cannot afford to jeopardize their popular support by making a sudden radical and partially unpopular reversal on such a question when it is first suggested. But time and the realities of the situation are changing their attitude. Furthermore, as things stand at present, while we certainly should have Spanish soldiers on our side in the program for the defense of Western Europe, the key problem is not manpower. The fact is that at the present time they are enlisting and training men faster than they and we can produce the weapons to arm them.

Mr. CRAWFORD. I mean they do not want the Spanish soldiers in France fighting with us to repel an attack by the Russians.

Mr. JUDD. Yes; I understand the gentleman.

Mr. CRAWFORD. France ought to get that idea out of her head.

Mr. JUDD. I think she will, but we have got to give the French a little time. These changes do not come about suddenly. There are some in America who have great difficulty in changing ideas and attitudes here that are only 40 or 50 years old, yet in some of those countries they are asked to depart from ideas and attitudes that are several hundred years old. They cannot do it overnight, but I am convinced their own interests will require and accomplish it. We were told by our own diplomatic people in France and the other countries that they have already progressed a long way toward economic cooperation and in political federation, have moved faster in the last 3 years than anybody any place in Europe thought was possible. Some of the best, most vigorous and courageous pioneering spirits in Europe are working on these problems. They need our encouragement and there is solid reason to give it. I think the program is at last beginning to roll after being so long stalled on dead center. I think Europe is around the corner psychologically. They are now recovering their confidence. That gives greater strength. The greater strength leads to

still better morale and the cycle is upward, not downward. They are making progress.

One of the most important factors in this is Gen. Dwight D. Eisenhower. He has achieved more headway in the last 5 months, in my judgment, than had been accomplished in the first 5 years after VE-day. There are several reasons for that. One is that he is to them the symbol of victory in the last war. Second, he is the symbol of American power and they are aware of its vastness. Third, he has established a headquarters and gathered the ablest military leaders of all the countries involved. Some planes and tanks are beginning to arrive. These all give them something concrete and definite around which to rally. It is no longer just a speech or an idea, or even promises by the President, Marshall, or others. They see something tangible, they see we are investing our money and weapons and men in the project even if they feared we might walk out on them, they know we will not abandon such an investment of our own men. It gives them certainty that we are ready and determined to stand with them against a common foe, that we have a direct interest in their freedom because it involves our own freedom. Fourth, is Eisenhower's great organizational skill and his ability to communicate his own confidence and enthusiasm. He is dead sure that this is the right thing to do. Yet he deals with the problems with great frankness and candor. He told our committee bluntly of the obstacles to be overcome, but said at the end: "It is this or else. If you do not do this, what are you going to do?"

Mr. Chairman, I think the question before us and the country in the so-called great debate is not whether to help Europe stay free, but how to help so as to succeed. There is no justification in doing anything unless we do it with determination not to fail.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mrs. CHURCH. I wondered if the gentleman really realized something that he has said which causes me some concern. I think the gentleman made the statement that there was no manpower problem in Western Europe. If so, why are we sending six divisions with more to follow later?

Mr. JUDD. That is very easy to answer. I said the key problem is not manpower; they are raising and training men faster than they and we can provide supplies to arm them. The biggest reason for sending American divisions to Europe is not the fighting capacity they can add to the troops of Western Europe once the latter are armed. Once Western Europe's manpower, greater than ours, is united and has the will and the capacity to fight, they do not need our men. If they are not united and willing and able to resist, we cannot send enough troops to save them.

The fundamental reasons for sending six divisions now is to help hold the line, like a finger in the dike, until Europe's manpower can be mobilized, armed, and united; and to serve as a catalytic agent

to their morale by convincing them, as nothing else can, that we do not intend to abandon them. It is concrete evidence to every west European that should the enemy move on them we will come to their assistance. Its greatest value is the psychological one. Morale and will to resist depend on assurance that Eisenhower can put effective units of both Americans and Europeans in the field; assurance that they will receive arms of the sort that will enable them to resist effectively; and assurance that the arms will arrive before rather than after an attempt is made to overrun them. It is the business of this mutual security program to accomplish just that. Eisenhower's headquarters and a few American divisions as symbols plus supplies for the European forces and a build-up of capacity to produce such supplies in Europe are the means.

The evidences already provided of America's determined interest in their survival and our survival has done much to get them into a position to furnish the necessary manpower and to increase their production. I believe there is great hope for success if we try our best; there is none if we do not. Hence, I support this program as I have previously. Our greatest problem is to get its administration better organized and directed than it has been. I believe the separate administration provided in this bill is essential and will work if the best men in the country are put in charge and given adequate authority and support.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HAYS of Arkansas. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, probably I should not attempt to speak after the eloquent speech by my friend from Minnesota, with whom I have traveled across the country in support of a bipartisan approach to the foreign policy problems of our country. I rise to speak for a moment, however, to one or two points he has made and to the extent that I may be capable of it to fortify the principal thesis of his speech.

WALTER JUDD is one of our country's great men. He and I do not see eye to eye on every phase of foreign policy, but we do believe devotedly in a bipartisan approach to the basic problems of our country and we both have faith in the efficacy of such a policy.

I agree that General Eisenhower's mission is producing new hopes in Europe and from the knowledge I have gained from observations of his committee, I believe there is every assurance that this is the best investment the United States could make in our own security.

I have been for eight and a half years a Member of this House. This is the first year in which I have been privileged to sit as a member of the Committee on Foreign Affairs. In the years I spent as a member of another great committee of the House, I have never seen proposed legislation more fully documented, any piece of legislation more thoroughly presented than the mutual-security bill which is now before the House.

There was presented to us, as the chairman of our committee said in his splen-

did opening statement, the finest authorities that this Nation could summon in support of a proposition. I shared the views of the gentleman from South Carolina in 1949 when he questioned the wisdom of granting the full request of the executive department for military aid for Europe, and largely in response to his appeal and that of the gentleman from Ohio [Mr. Vorvys] who ably presented that point of view, the House trimmed that request. At the time I concurred in the action. Whether we were right or wrong, the fact remains that conditions have changed. If reasons existed for a substantial reduction then they do not exist now.

The reason for it is that there is a new attitude in Europe and a new program. Now, America must never lose the sense of teamwork in this great enterprise. That has been the substance of every speech General Eisenhower has made and if we fail in the exercise of our great power and influence we will destroy the team spirit.

I know there is a tendency to invoke economy when measures of this kind are presented. It is an easy thing to do. It is posed as America's interest in conflict with the interest of other nations. That is an easy question to resolve. But it is a false posing of the issue.

There is no justification for this bill unless we see it as in our national interest. That does not mean it is against the interest of other nations, but rather that we recognize our identification with the rest of the free world.

Mr. Chairman, in my travels with WALTER JUDD, I was occasionally, perhaps, a bit patronizing. I enjoyed saying nice things about the Republican Party. I forgot some of my Democratic speeches long enough to enjoy good fellowship on that trip. I went so far sometimes in the spirit of sportsmanship to point to mistakes of my own party that I thought might justify the occasional reference to the mistakes of his.

At the turn of the century the Democratic Party, which is the object of my affections, failed in its larger duties in some respects, and it was the Republican Party that pointed the way to a participation in world affairs by the young Republic. Mr. Bryan, who was often right, but occasionally wrong, though always seeking the country's good, opposed the exertion of American influence in the Orient, charging that it would lead to imperialism, and it was the Republican Party that led the way, that made a contribution to the cause of freedom and of independence in that period. Our participation in the Philippines was a part of that great venture under the dream of a laudable world enterprise. I say that in order to make sure that a reference will be made in this debate to our concern for bipartisan handling of foreign-policy matters. Historically, we Democrats have had no monopoly on the idea of participation in world affairs. In my opinion, the students of history 50 years from now will be as puzzled by 1950 opposition to helping free nations fight communism as we are now by Mr. Bryan's speeches in 1900.

There is a disposition, however, for us to yield, in view of the staggering tax

burdens that are involved—and we must never discount them—to those who would say we cannot afford to take this step. The answer, of course, is that we cannot afford not to take this step. That has been well covered. But we are in danger, because we must speak in terms of billions of dollars, of underestimating the tremendous capacity of our country. I hope I will not be misunderstood. I hope I am as sensitive as anyone to the fact that our resources are not limitless and that somewhere along the line we must find a way to settle the world's conflicts without a resort to arms; we must not place our reliance exclusively upon huge armaments. They are too expensive. It cost Julius Caesar—and his empire was large enough to require 30 days for his marching men to go from one end of it to the other—only 50 cents to kill an enemy. It costs the United States of America \$50,000. The war system must be abolished if for no other reason than that we cannot afford it as a permanent institution, but our negotiations for peace can never succeed if the free world bargains as a military inferior.

On the other hand, Paul Hoffman, a tough-minded businessman, who holds the confidence not only of our country, but of the free world, has pointed out that 50 years ago, with only 6 percent of the world's population, we were producing 20 percent of its wealth. Today, with 7 percent of the world's population, we are producing almost two and one-half times, percentagewise, and the world is therefore entitled to look to us for leadership by reason of our tremendous industrial capacity. It would not be good for our economy, however, for that situation to continue. Measured in terms of absolute production, of course it is wholesome for the sinews of war are being produced here. But, it would be desirable as an economic situation for us to help the non-Communist nations of the world improve their productiveness to the point where they can claim a larger share and the percentage of American industry gradually go down. I mentioned Mr. Hoffman's comparison primarily to inject his spirit of optimism and his warning that a sense of despair about the temporary load need not overtake us. I think that is entirely compatible, Mr. Chairman, with what I said about the ultimate hope of resolving conflicts of the world on other than an armament basis.

But if I believe anything as a result of this well-documented case it is that the interests of our country are at stake. I believe that we have come to one of the turning points in history, and that America, utilizing the great moral and intellectual resources that belong to both of our political parties, as well as the great material resources can lead the world into a brighter day.

For that reason I am supporting the chairman. I think he brought to the difficult task of screening the requests keen insight and a conservative mind that are serving the Congress and the people. His bill represents a cut of almost \$800,000,000 from the requests and his compilations have had committee approval. Of course, the Committee on

Appropriations must make its study to follow this.

Our country has not acquired greatness in the eyes of other people by productiveness alone, but its greatness is measured in terms of world relations and world service. If we should refuse to devote ourselves to the task of preserving freedom and justice in the world, we would lose some of the values that have distinguished us and we ourselves would suffer most.

I had not intended to speak at this length. Mr. Judd's remarks revived recollections of our trip together a few months ago and I am yielding to the impulse to speak. I endorse everything he has said about the necessity of teamwork, the importance of our meeting the obligations that world leadership carries.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Illinois.

Mr. SPRINGER. I know there are many on this side who are somewhat disturbed by the question that was raised a few minutes ago by the gentlewoman from Illinois; that is, the question of troops to Europe. I think one of the arguments that has been made in favor of this bill is that we would support the troops of those countries and provide them with the arms to fight their own battles. I think the gentleman from Minnesota and the gentleman from Arkansas followed up with a point well taken, that we do not realize, I think, in this country the moral force which an army of ours has when it is on foreign soil in keeping back the threat of Russia's aggression.

To take the best example, does anyone in this House believe that the North Koreans would have attacked the South Koreans if there had been present at that time on the Korean soil an American army such as we had there less than 18 months before that attack took place? I think that is the thing you would have in this troops to Europe under this situation. There has been a great deal of argument as to how much it should be, but I do think it is important to bring out that point as proof that we can turn back this threat of Russian aggression by the presence of troops here.

Mr. HAYS of Arkansas. I thank the gentleman for his observation, and I think it is a helpful one. I agree that the gentlewoman from Illinois, who always speaks to the point and who makes a real contribution to our discussions, has raised an important point. I agree with what the gentleman said about the moral effect of the presence of our troops where they are needed to inspire confidence on the part of our allies and to share in this total enterprise.

You have to see it in those dimensions. It is a matter of making the military assignments to the team members on the basis of their respective abilities and potentialities. For that reason, the reference of the gentleman from Minnesota [Mr. Judd] to Holland was relevant.

The United States is entitled to raise the question as to whether our contribution in land forces would be disproportionate, at a given time, but it cannot

be resolved on the right basis unless we act in the team spirit and unless the discussion is entirely free from incrimination between the team members. One of the witnesses before our committee said that the greatest mistake we could make would be to think in terms of a wall of human flesh to resist a potential aggression. But all of these factors are being carefully evaluated. They are being evaluated with the purpose of getting America entirely out of Europe, as strength is built up and dangers pass. There is no question about that being a part of our calculations.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. O'HARA. The gentleman is honest enough, I am sure, to concede that if we have 400,000 troops in Europe when a war may break out, that we are going to be committed to send many more troops over there to try to save as many men as we have there. I am sure the gentleman is honest enough to see that that enters into the picture. It is not only a question of morale and the spiritual effect of having these troops there, but there is also the question of America being committed so that we will be dragged into the battlefields of Europe from that point on.

Mr. HAYS of Arkansas. If the gentleman would prefer to fight a battle on our own soil in defense of the things I know, in the final analysis, he would fight and die for, then the question can easily be answered in his mind. But there are military factors which would make it more desirable to build our defenses where we can be strongest.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. JUDD. There can be no question on the gentleman's point that the use of American ground forces in Europe is a temporary matter to help hold the line or fill the gap until the manpower of Europe can be mobilized and equipped. That is what the program is about.

Mr. HAYS of Arkansas. I intended to say that. I am glad to have the gentleman confirm my opinion.

Mr. JUDD. I am glad to confirm it because it is true. General Eisenhower himself said repeatedly that no people can long be defended from the outside. In the long run, the defense of Europe has to be by the Europeans themselves. But, in the meantime, if we do not give them this assistance for the next 2½ or 3 years, they will be taken over before they have a chance to build up their own strength. This whole operation is to get them to the point where they can stand on their own feet without our forces.

Mr. HAYS of Arkansas. I thank the gentleman very much.

Mr. Chairman, I will not take any more time now.

Mr. RICHARDS. Mr. Chairman, I yield such time as he may desire to the gentleman from North Carolina [Mr. Woodrow W. Jones].

Mr. WOODROW W. JONES. Mr. Chairman, I make no pretense of being an expert on foreign affairs or to being thoroughly acquainted with the many

new and complex theories of economics now prevalent in our national and international thinking. However, during the past several months, I have made a study of our over-all foreign economic-aid program, and have reached some definite conclusions in my own mind. In discussing H. R. 5113, I desire not only to point out some of the things which are contained in this bill but to give a brief review of our economic-aid program for the past 11 years.

Although not a Member of Congress when the Economic Cooperation Act was enacted into law and the huge sums of money appropriated in compliance therewith, I found myself generally in accord with the fundamental purpose of that act. I realized, as others realized, that through economic chaos and collapse in the war-devastated countries of Europe, communism could breed, flourish, and conquer if some sort of assistance was not made available to those nations. I felt and believed that it would be in keeping with our fundamental principles and concepts of government in the proper defense of our country against communism to extend to those war-ravaged countries a certain amount of economic aid in an effort to prevent communism from taking over those nations. In viewing the situation in Europe today, after more than 3 years of operation of the Economic Cooperation Administration, we see that great progress has been made and that, no doubt, France, Italy, Greece, and other nations have been saved from communism by our aid and assistance. While we can point with pride to the tremendous accomplishments in France, Italy, Greece, and a few other countries, we must at the same time admit that huge sums of this money have been wasted and spent foolishly. While admitting the advisability of the expenditure of a certain amount of money in the form of economic aid to other nations of the world under the ECA program, I do not and I shall not admit or support the view that this type of program or any other type of foreign-aid program should become a permanent part of our governmental program or foreign policy. Let me warn you now that many of the so-called planners are beginning to think and speak in terms of making this sort of program a permanent part of our foreign policy and governmental program. They are beginning to say that we must pour billions of dollars every year into the other countries of the world and, particularly, into the so-called backward nations of this earth. This type of planning calls for tremendous health programs, power projects, irrigation and reclamation programs, road construction and development projects, and agricultural and educational programs. The survey for all of these projects has already been made and in some countries huge dams for power projects already constructed. Although we have said to our people here in America that flood-control dams and many other projects must wait until the war effort is over, the ECA has nevertheless gone forward with these programs in other lands at the expense of the American taxpayer.

In looking over the report of the Economic Cooperation Administration for the period ending March 31, 1951, we find that since the inception of the Marshall plan 3 years ago, a total of \$12,300,000,000 has been made available to ECA to carry out the European recovery program. Call the roll of nations participating and look at the huge sums of money allocated to these countries—France, \$2,211,000,000; Germany, \$1,189,000,000; Italy, \$1,213,000,000; United Kingdom, \$2,696,000,000; Ireland, \$146,000,000; Trieste, \$31,500,000; and on down the line. Nation after nation has received millions of dollars from the pockets of the American taxpayer and it continues until this good hour.

But this review of the cost of the ECA does not give us a full and complete picture of the total economic aid which our Government has been pouring into the other countries of the world. A complete study of our total economic aid program to the other nations reveals indeed some astounding figures. We find that from July 1, 1940, through June 30, 1951, a total of 11 years, our Government spent or had available to spend, the colossal sum of \$98,227,074,000. According to the figures provided by the Legislative Reference Service of the Library of Congress, the total sum spent as of December 30, 1950, amounted to \$84,081,074,000. This same report points out that there was available and unutilized from prior appropriations and from the appropriations authorized during the fiscal year 1951, the additional sum of \$14,146,000,000 which would be available for expenditure during the fiscal year ending June 30, 1951. When the sums of \$84,081,074,000 and \$14,146,000,000 are added together, we have the colossal sum of \$98,227,074,000. Again, call the roll of nations who shared in this over-all, total economic aid program and you can hardly think of a nation which has not shared in this fund. This aid consists of grants and credits extended and covers, as I pointed out before, the past 11 years. Let us take a look—the British Commonwealth, well over \$38,000,000,000; France and her possessions, over \$7,000,000,000; Russia, \$11,464,163,000; all of the South American republics, India, Italy, Germany, Ireland, Israel, Czechoslovakia, Poland, and practically every other nation under the sun have shared in this aid program. A review of the list of nations aided and the amount extended makes one wonder if we have not lost all sense of values and if we are not treating the American taxpayer's dollar as if it were so much sand on the beach.

But you say, this was all a part of the cost of World War II. It is true that huge sums were expended during World War II under lend lease and other types of economic aid which can be attributed to the cost of the war and our ultimate victory. However, a close look at the record discloses that the total economic aid during World War II amounted to \$49,223,875,000. This leaves the tremendous sum of \$49,300,199,000 as the total amount of economic aid since the close of World War II. Let's look at the record of this economic aid since July 1,

1945, and using the same figures provided by the Legislative Reference Service of the Library of Congress. This report indicates that as of December 30, 1950, we had spent in economic aid to the other countries of the world, the total sum of \$34,857,199,000 and that there was available to be spent by the end of the fiscal year ending June 30, 1951, the additional sum of \$14,146,000,000. And these two figures together and you get the total sum of \$49,003,199,000.

Again, call the roll of nations receiving this economic aid and credit extended since the end of World War II, and it is hard to find a nation, however small and insignificant, which has been overlooked. Whether this nation had assisted us in the war effort or could assist us in our fight against communism didn't seem to matter. Even Russia, after the war, received from this Government of ours in grants and credits extended, the high sum of \$687,987,000. A close look at the record also discloses that Czechoslovakia, Poland, and Hungary, all behind the iron curtain now, have supped at the economic table spread by the American taxpayers. Add to all of this the more recent grants and loans to Yugoslavia and India and you have our economic aid and credit program to the other nations of the world up to this good hour. It is true that some small parts of these funds have been repaid by reverse lend-lease and otherwise, but some of the charges made by some of our allies to the account of reverse lend-lease are indeed shameful as well as ridiculous.

Assuming for the sake of argument, but not admitting, that these huge sums were not only necessary in our fight against those forces which would destroy us, and that the money was well spent, the burning question today is, "How much further can we go? Can we afford to continue in our economic assistance to the so-called friendly world?" The bill before us today calls for the total sum of \$6,013,000,000 for military aid and assistance, and for the additional sum of \$1,780,750,000 for further economic aid and assistance. Secretary of State Dean Acheson, in testifying before the committee considering this bill, stated that it now appears necessary during the next 3 years that we spend the additional sum of \$25,000,000,000 in aid and assistance to the other countries of the world. Where is the end?

We must ask ourselves this question and leave the answer to every man's conscience. "Can we rearm ourselves to the extent that we are prepared for any eventuality, and rearm the so-called free nations of the world, and at the same time shoulder the responsibility for the well-being and support of the economic system of all the other free nations of the world?" Pray tell me, how can we provide the weapons of war for ourselves and our Allies, and at the same time pour billions of our tax dollars into the economic blood stream of those countries? Pray tell me, gentlemen, how we can continue to spend billions upon top of billions of the taxpayers' money, and constantly add billions to our public debt, and remain a solvent nation. I know and you know that if we continue

the present rate of Federal spending that national bankruptcy will stare us in the face. Already our people are burdened with a public debt of more than \$255,000,000,000 and soon to be saddled with a tax burden the like of which this country has never seen before. Every indication is to the effect that this tax burden must become heavier and heavier in the years to come. How much can our people stand? We are now reaching into the weekly pay check of every textile worker and wage earner in my district and in yours, and taking therefrom huge bites of their hard-earned money. Next year the bite will be bigger, and if some of this spending is not curtailed, only God in His wisdom knows what the future holds for them and the other citizens of our country. It seems that the only forgotten man in the world today is the American taxpayer.

I am not an isolationist and have never been. I firmly believe in our preparedness program and extending military aid to our allies. I also firmly believe that to extend military aid in a reasonable amount is as far as we can go now. This is particularly true in view of the vast sums of economic aid already extended. Yes, we emerged from World War II as the leader of the free world, and the tremendous burden of stopping communism rests squarely and almost entirely upon our shoulders. We must act as reasonable men and not let the hysteria of the hour override our judgment. If we bankrupt this country, then we will not need our weapons. Communism can march at will. I firmly believe that our best defense against communism is to make and to keep this country strong from both a military standpoint and from a financial standpoint. In my humble opinion that will do more to stop communistic aggression than anything else we can do. The only language the Communists know, understand, and respect is force and the threat of force.

I shall support the huge appropriation in this bill for military assistance to the Atlantic Pact nations and to other nations who show a willingness and the ability to fight communism, but I do not, and I cannot, support any further economic aid to any nation. I have reached this conclusion after serious thought and consideration, and feel deeply that it is for the best interest of our country and our allies. I think that when the allocations heretofore made are expended, that we should call a halt to our economic aid. We should say to those friendly nations that we have assisted them in bringing their system of production back to and above the prewar levels. That they must now operate their economic system without any further help from us. We can say to these same nations that we will materially assist them in the burden of providing war weapons to defend themselves in the fight against communism, but we cannot assume forever the burden of keeping their economic system healthy.

I know that there are those who will say that Europe is expecting this aid, and that the bill has been introduced calling for this economic aid—that if we fail to grant this additional aid, those

nations will become discouraged and will not make a serious effort to defend themselves. I have heard that argument and similar arguments many times since coming to Congress, and if we adopt that practice, then any sort of a bill calling for aid to foreign countries will have to be passed. Can any nation in the world doubt that we mean business in this fight against communism? We have adopted a \$56,000,000,000 defense bill and almost a \$5,000,000,000 bill for the construction and expansion of military bases. We have, as pointed out heretofore, provided all of this economic aid to the friendly nations. In addition to all of that, we are now saying to the world that although we have provided vast sums in the past for your economic good, we are now nevertheless willing to help provide the weapons of war for your own defense. In view of all this, can any nation doubt that we mean business in our fight against communism? Can any friendly nation say we are retreating in any respect and have any grounds for such contentions?

While we are thinking of Europe and Asia, we must at the same time think of America. We must give some thought and consideration to the financial condition of our country and to the burden which we are placing upon our taxpayers. In my humble opinion, the interest of our country demands that we strike from this bill all sums allocated for economic aid and assistance. That same interest, that is the interest of our country, calls for a reasonable appropriation for military assistance to the other friendly countries of the world. In closing, let me remind you of this basic fact—if we bankrupt this country, there is no nation on the top side of the earth to extend to us any economic aid for our recovery and rehabilitation. If we bankrupt this nation, democracy will perish here at home. If democracy perishes here in America, the light of freedom will be out for a thousand years.

Mr. VORYS. Mr. Chairman, I yield such time as he may require to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, the bill now before the House is designed to maintain our security and promote our national defense by furnishing assistance to friendly nations as a means of strengthening the cause of international peace and security.

The desire for peace is basic in America. We have always been willing to make sacrifices in an effort to provide peace and avoid the ravages of war. Thus, our people are in accord with the general purpose or objective of the bill. However, there is real concern among our people as to the extent to which we as a people can carry the heavy burden, now weighing so heavily upon us, without danger to our own economy.

It is agreed by all that there is a limit to the obligations that we as a nation can safely assume. This is particularly true with respect to heavy commitments for foreign military aid at a time when the expenditures for our own Military Establishment will reach astronomical figures. This amount is greater than during any peacetime in the entire

history of our country. Only a few days ago the House approved a \$56,000,000,000 military appropriation bill for the present fiscal year. In addition to this, there have been many other appropriations and authorizations for military purposes that increase the amount many more billions of dollars. In addition to the military aid we extend to other nations, there are also the vast sums already given and which are now sought to be authorized for economic aid. This and other Government expenditures has resulted in proposed tax increases far beyond anything heretofore experienced in this country. Thus, while we have the desire to help, there comes a time when we cannot do all that we might desire to do, or that might seem necessary to do.

The objectives of this bill, as I have already said, are worth while and undoubtedly have wide support, but the extent or the amount of aid to be given is one that does concern the future welfare of our country and its citizens. This feature of the bill requires the utmost consideration and thought. Failure to observe the limitations that our own necessities require could easily lead us into a weakened financial position that would prove disastrous not only to ourselves, but to the whole world.

Frequently we hear the thought expressed that Russia is seeking to bleed us white. This strategy is undoubtedly based on the theory that if the financial structure of America is broken down then we will neither be able to assist other countries or effectively defend ourselves. The Korean incident that has already cost us billions of dollars and thousands of casualties is an example of how Russian strategy works to accomplish its purpose of bleeding America white. It seems that Russia's ability to create fear and thereby increase our expenditures to meet its threats, at home and abroad, is almost boundless. The time has come, in my opinion, that our country must demand and obtain a larger degree of self-help from the other nations with whom we are allied. The economic rehabilitation that each of these nations has reached as a result of our aid, it seems to me, has been sufficient for us to expect them to do more for themselves in promoting the mutual security program, than is now being done.

I realize that the Committee on Foreign Affairs is aware of the importance of this viewpoint I have expressed, as it has decreased the amount to be authorized by several hundred thousand dollars before reporting the bill to the House.

In the opinion of many, our own national welfare demands a further reduction in the amount to be authorized. To do so is not any indication of a desire to escape our obligation for promoting or maintaining world peace, but a realization that we can best help the cause of world peace by keeping our financial structure on a sound and stable basis.

I trust that without lessening our zeal for world peace, and a cooperative effort to maintain it, that we will, nevertheless, be realistic enough to recognize the necessity of keeping this country financially strong to the end that we may do our full part.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, we have heard a lot about obligations we have undertaken to Western Europe. I think it is time we heard a little about the obligations Western Europe has undertaken to us.

Let us remember that the North Atlantic Treaty is a two-way street. Europe has said it will lay down its life in defense of the United States, equally with that the United States has said its soldiers and its material will be put into the struggle against Communist aggression.

Let us understand, too, that Western Europeans have taken quite a beating. They know what war means at first hand. They have been fought over and occupied. So it is a much harder decision for them to make to resist than it is for us. If all Western Europeans wanted to do was to just save their own skins, they could save their bare lives, or at least most of them, except for those who went to slave labor camps, or those who were shot for being "deviationists"—they could save their bare lives by surrendering to the Russians tomorrow.

Obviously Western Europeans have no such thing in mind. The best assurance of the fact that Western Europe has the will to fight is the fact that in face of Soviet threats and fulminations about war mongers and a ring of military and air bases, Western Europe has undertaken this obligation under the North Atlantic Treaty to fight on the front line for the defense of the whole world. That was a daring thing for them to do when, in terms of military armament they had such meager defenses. We are seeing to the fact that they are not without means for defense. That is one of the essential purposes of this bill.

The other essential purpose of this bill is to show that American leadership in the free world knows where it is going.

I would like to state clearly the effect of this bill. It means that those who want to go it alone—and there are some in the United States who want to go it alone—they will vote against this bill. What is the use of spending money to help allies if you want to go it alone? But the people who want allies, the people who fundamentally take the philosophy of General Eisenhower, are going essentially to vote for this bill, though they may differ on it in details.

In my view, this is going to be the pay-off vote in this Congress, as to whether Members want allies or whether they want to go it alone.

I would like to confine my own particular part of this discussion to one major phase of the bill, and that is what are we doing to look ahead to tomorrow? Where do we go from here? Is this just a matter of taking money from the revenues of the United States and turning it over for economic and military aid all over the world and does it just go on and on? Let us understand that this bill is broadening the whole program to include other areas of the world, the Far East and the Near East and Africa as well as the other American Republics.

Are we looking forward to some solution even if the Soviet bloc continues to be truculent and aggressive? Even if they refuse to agree upon armaments control and do their best to immobilize the United Nations? Even if, as many expect, tensions and localized aggressions and subversions go on for 10 or 20 years without a major war? I say we are looking forward. We are not as all-powerful, we are not as rich, we may not even be as productive, due to limitations imposed by raw materials, as we think. The real hope for the free world is that we look forward to some solution, but in order to look forward we have to undertake this program.

A very magnificent job was done in outlining what we have to look forward to by the International Development Advisory Board, which was headed by Nelson Rockefeller. Unless our committee had rescued that report—Partners in Progress, March 1951—from the discard, it would have gone almost completely unnoticed in this whole discussion. That report brought out the ultimate truth that the United States is dependent for 73 percent in value of all of its strategic materials on underdeveloped areas around the world, which this bill is designed to aid—rubber, tin, manganese, copper, bauxite, lead, and zinc. That the only way in which we will be able to effectively defend against communism—and everybody, including General Eisenhower, has doubts about the eventuality of an all-out war—the only way we can finance this defense is if we raise the wealth production, not alone in the United States but throughout the world. The areas that have the greatest potentialities and capabilities in this respect are the underdeveloped areas. In other words, if we raise the production of food and raise the production of critical raw materials, particularly in the underdeveloped areas, then we will be able to sustain this program.

Let us understand the stakes for which we are fighting. The Soviets want to capture the undeveloped areas of the world, with the 1,075,000,000 people in them. They constitute 46 percent of the world's people in 50 percent of the world's area as against 31 percent and 24 percent for the Communist bloc. Just to get an idea of where these people stand, they have an average annual income of \$80 a year. The comparable average annual income in the United States is about \$1,400 and in Europe it is about \$470. This \$1,000,000,000-plus people has an annual gross product less than one-third that of 150,000,000 Americans and 20 percent less than one-fifth as many western Europeans. So they are way down in the economic scale. They are the people for whose alliance and freedom we are fighting with the Communists.

They are the people whose wretched conditions of living offer the Communist propaganda liars their best opportunities. They are also the very people whose resources can make the free world viable and impregnable.

The Committee took full cognizance of that, and the Committee understood that in order to get the wealth base that we have to have in defending against

communism we have to improve the economic condition of the underdeveloped areas and to create new means for financing such wealth creation, not just relying on the American taxpayer.

Members will notice in section 605 of the bill that the Committee is calling for action with respect to the organization of international finance agencies under the International Bank for Reconstruction and Development, which has a substantial amount of capital and which has shown great ability in securing money through public bond issues.

The Committee has also called in its report, for consideration of the merger of the International Bank and the International Monetary Fund, which could add over \$2,000,000,000 to the resources of the International Bank in order to enable it to do international financing commensurate with the size of the job necessary to have us see some daylight.

In addition I call attention to section 605 (b) on page 31 of the bill. The Committee has required that the Administrator recommend to the Congress action to utilize these resources which we put at his command in order to obtain very materially increased participation by private enterprise in the international development program that we are authorizing. Finally, we request the proper agencies of the Government to undertake negotiations with foreign governments to remove the barriers to such participation—something which can be done through the negotiation of commercial treaties, as my colleague the gentleman from Massachusetts [Mr. HERTER] has been pointing out for a very long time, negotiating reciprocal tax arrangements and making similar approaches to the problem of getting private enterprise to use its full potential in this effort. Our Committee has gone into this program in its various angles to see that demands on the United States are cut down very materially by international financing and that it be carried on in greater part by private enterprise.

We understand that what we need to make the mutual-security program viable, what we need to make it work is increased wealth production throughout the free world. The leverage is enormous. We are proposing to expend this year \$71,000,000,000 in the United States for our national budget and something in the neighborhood of \$60,000,000,000 of that to represent arms and armament. That represents roughly 20 percent of our gross national product, which is running at the rate of \$330,000,000,000 a year. If through increased productivity and increased wealth production which can be stimulated throughout the world we can step up our national income to \$400,000,000,000—and also step up the rest of the free world's income, which is comparable in total with our own, another \$100,000,000,000—then we have got a base on which the defense budget represents but 15 or possibly 10 percent of the gross national product of the United States. That is the direction, as I see it, in which we must move, and that is the direction upon which this committee has now set itself.

This is the object in view in setting up one unified administration under one administrator. The committee wants an administration which can command the faith of the Congress and which can be depended upon to do that particular job which I have described of cutting down the demands upon us. The committee feels that it has proposed such an administration in the bill.

One final point which I think is very important. Everybody wants to know how this is going to come out: Is there going to be war or is there not going to be war? Are we going to be able to live peaceably with the Russians or are we not going to be able to live peaceably with the Russians? Nobody seems to be able to answer it. Yet one very logical answer is that as the Russians feel that the only ground in which they can cultivate communism is the ground of economic and social distress then by dedicating ourselves as world leaders—which we irrefutably are today—goes a long way to eliminate the causes of economic and social distress in the free world and we will be depriving the Russians of any opportunity or any prize to fight for either by internal subversion or external aggression.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. HERTER], and may I say that the gentleman from Massachusetts [Mr. HERTER] is the third of the Members of the minority who were recently in Europe and can tell us first-hand about this program.

Mr. HERTER. Mr. Chairman, it is obvious that in the comparatively brief time that is allotted to any individual during the course of debate of this kind, the entire scope of the bill cannot possibly be covered. I want to confine myself to that part of the bill about which I think there is considerable misunderstanding, namely, the relationship of the purely military supply function of the United States and the so-called economic help for military purposes which is contained in the bill.

When our committee went to Europe, a number of us formed a subcommittee to examine in great detail the exact way in which calculations were made which led to the figures which appear in the bill now before us. The process was roughly as follows: The military services, as represented today chiefly by General Eisenhower and his associates, began with the war plan. That war plan is, of course, a confidential document. But it included within it the furnishing by the different nations of Europe—the 12 nations that were party to the NATO agreement—of a number of divisions from each country, all of which would be subject to the command of the central commander. Once it was determined and agreed upon as to how many men could be furnished by each nation, the question arose as to the extent to which each nation could equip those men so that they could become effective soldiers.

There a study had to be made, not alone by the military but by the economic experts, the ECA and our own diplomatic leaders. That study was essentially a commercial and industrial study. It was a study as to the potentials of each coun-

try to produce war matériel with which to equip their own soldiers or which they could deliver in surplus to equip the soldiers of other forces serving in the same combined army. That was a very difficult calculation to be made, but after that calculation was roughed out, then an effort was made to estimate the gap between what the nation could furnish itself and what represented reasonably decent equipment for reasonably effective fighting men. The table of organization used was not the American table. It was a much more liberal table in the sense it produced more fighting men with fewer in the rear than the American table of organization provides, but at the same time fewer men at the front than the Russian table provides. The gap, which only the United States can fill, is what is represented in this bill.

But that is only a part of the story. In ascertaining what the countries could do for themselves in the way of converting their industry to war purposes, some very serious calculations and serious considerations had to be met.

These countries through the Marshall plan have only just begun to get to a point where the standard of living of their people approximates that which preceded the war. Their productivity has gone beyond the prewar period, but that is because the Marshall plan concentrated largely in capital goods and the effect of the capital goods which are today increasing the productivity of Europe has not yet been reflected in the standard of living of the common worker.

If today there were no military problem in Europe, there would be only three areas in Europe that would need so-called economic aid—Greece, Trieste, and Austria. Italy would probably need some help in addition.

But what we are asking in this mutual assistance operation is that the nations of Europe turn their productive facilities from peacetime production to wartime production, and that can be done in only one of two ways: Either they must have help from the outside, or else they must reduce their standard of living. That is the simple problem that is faced by this question of economic aid. Are we going to give them help in converting their industry to a wartime basis, or are we going to ask them to do it themselves and drive down the standard of living of their own people and run the risk of losing everything we are trying to save by having their countries go Communist without having a shot of any kind fired?

Take a country like France, for instance. Today it can convert a considerable part of its automotive industry into the making of vehicles, some of them armored, some not armored, that are necessary in wartime. They can make some airplane parts. Every time they turn a factory from making civilian goods, such as ordinary automobiles which they can sell in South America and elsewhere, it means that they are impoverishing their own country from the point of view of earning foreign exchange with which to buy raw materials to keep their industry going or to purchase foodstuffs with which to feed their own people. You have that problem in

every single nation in Europe, and it is for that reason that this so-called economic aid for military purposes is being asked for in this bill.

As the chairman of the committee pointed out in his opening address, it is every bit as important in securing the objectives that we all have in mind when we bring this bill before you as are the pure military end items which come from the production lines of this country. Let us examine another country. The British have shown an extraordinary fortitude in this picture. There is no economic aid provided, however, in this bill for them. There are some military end items provided. The British are actually lowering their standard of living today over what it has been over the last 5 years in order to meet their military commitments.

They are getting 15 cents worth of meat per week to eat and the Government will not allow them to import any more. If you, as a resident of Great Britain, wanted to buy an automobile, you would have to wait between 4 and 5 years on the waiting list, since four out of every five automobiles that they produce are shipped abroad in order to earn dollars which they can turn into foodstuffs in order to feed themselves. In addition to buying an automobile, you would pay a sales tax of 66½ percent on top of the export sales price. If you go into a store in England, the wares are beautiful. Most of those wares, almost 90 percent, cannot be bought by any British citizen they are on show for export only in order that the British can earn enough foreign exchange with which to buy the food with which to live. Their standard of living is actually lower today from the point of rationed food, rationed clothing, rationed everything, than it was at the end of the war. But there is no economic aid for them.

You have a comparable picture throughout the entire European field, although, obviously, the effort each nation is making differs from that of other nations. Some are making extraordinary sacrifices; others clearly need the encouragement that the kind of help we are offering here will give.

Unhappily, many Europeans are asking whether if they have to make this tremendous military effort in order to survive it might not be better to take the risk of being overrun by the Communists. That is the thing that is running through their minds everywhere in Europe. It is something that has to be combated and can be combated and has to a large extent been combated by our forces in Europe and by the fact that they have seen tangible aid in the form of guns and tanks and planes coming to them.

I think I have very nearly completed the story. The point I have been trying to make is the one that was emphasized at the very outset by the chairman of the committee, that much of this economic aid, so-called, might, in a sense, be an economy for us in trying to achieve our objective.

That objective ought to be restated and restated often, so that there is no misunderstanding about it here on the

floor of the House. That objective is to get Europe into a position where with its own men, its own replacement parts for military equipment, its own supplies for its own troops, it can defend itself against any threat that may come from the east, certainly as far as ground power is concerned. We may have to help for a considerable period of time from the point of view of air and from the point of view of the sea, but certainly General Eisenhower has made perfectly clear that this program is a program that may take 3 or 4 years, but a program designed to make Europe strong enough on the ground so that American ground troops can be returned to this country and Europe can carry on for itself.

Mr. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Massachusetts.

Mr. KENNEDY. Does the gentleman think the Russians will wait for 5 years for us to build up these forces?

Mr. HERTER. It is a calculated risk we are taking in any of these programs. It is a question of how fast we ought to move. If we felt an attack by Russia was imminent in the next 18 months or the next 12 months, possibly we ought not to undertake any part of it. But then we would be saying deliberately, "We are not taking any risks, we are handing over Europe, lock, stock, and barrel, without a fight of any kind, to the Russians." It takes time to get strength.

Mr. VORYS. If the Russians attack now they are taking a little risk on account of the A-bomb.

Mr. HERTER. That is correct. There are certain very obvious deterrents.

Mr. KENNEDY. If it is advantageous to us to hold Western Europe, is it not equally advantageous to Russia to take Western Europe, to take away Western Europe? If it is going to take 3 or 4 years at the rate Western Europe is going to develop sufficient forces to defend Western Europe, does the gentleman believe they are going to wait that long? If this job is going to be done, does it not have to be done in 15 months? If it is longer than that, is there not a chance that the Russians will move into Western Europe?

Mr. HERTER. Yes; but what we are trying to do will lessen the chance. The job would be done only at a point where the strength of Europe would be so overwhelming that it would be absolutely foolhardy on the part of the Russians to attack. Until you get to that point, you are always taking a calculated risk that they would like to take the chance of coming in. Frankly, I am surprised they have not come in before this.

Mr. KENNEDY. Exactly.

Mr. HERTER. I think many people have that feeling. There must be deterrent reasons why they have not done it. Some of the reasons were given to us by military men. Very cogent reasons were given to us. Perhaps they are right in their calculations. This is all a calculated risk. If we are going to let Europe go without any effort of any kind whatsoever, we know exactly what the productivity of Europe in Russian

hands means to us over a long period of time and what a real danger that is.

Mr. KENNEDY. Are not those reasons that are now deterring the Russians going to become less effective in a year? Unless we supplement the force on land in order to deter the Russians, the deterrent now in effect, the monopoly of the atomic bomb, will become less effective in a year.

Mr. HERTER. There is no question about that.

Mr. KENNEDY. The difficulty is that this is going to take 3 years. It is going to take until late in 1953 or early in 1954, until you have the 80 divisions that are going to be necessary to deter the Russians.

Mr. HERTER. We are stringing this thing out for reasons that have to do entirely with the internal economy of the United States, and nothing else. The stringing out of this problem of rearmament has nothing to do with the manpower which is being offered in Europe. Europe is offering more manpower than we can equip or Europe can equip.

Mr. JUDD. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, I wish to thank the committee for allowing me this time. I rise primarily to discuss an amendment which I propose to offer. I do not care to comment on the merits of the bill as such, except to make a few observations as background for the amendment.

I think this is one of the most important measures that the House has considered in this session of the Congress. First of all, it is important because foreign affairs are more important today, in my judgment, than any other phase of our Government affairs. Second, this bill is important because it seems to me, it is the initiation of a permanent program in economic affairs in the international field. It creates what is in effect a new department of the Government with an administrator with status equal to that of the Secretary of State in the sense that any disagreement between them can be settled only by the President. Third, it is important because this program entails huge expenditures. We are presented with a program of \$7,800,000,000 for the current fiscal year. That is not the end; that is the beginning of the program. Secretary Acheson has testified before the Committee on Foreign Relations of the other body that the program is more on the order of \$25,000,000,000 over a 3-year period. I say to you, I doubt very much that the 3-year period will end the program. This program may be with us over the next 10 years or it may never end. Therefore, this measure is of the utmost importance. It seems to me because the basic questions of policy are so fundamental and so difficult that we ought to give extremely careful consideration to it.

I want to contrast the possible total expenditures of this program, which may be on the order of \$100,000,000,000 over a period of 10 or 15 years, with existing private investments by United States nationals in foreign areas because that

is the subject with which my amendment deals. I have been trying to get some figures on private United States investments in foreign areas. You might be surprised to learn that there does not seem to be any authentic agreement on what our investments abroad are. Mr. Miller, Assistant Secretary of State, in an address of June 7, 1951, pointed out that nearly \$6,000,000,000 of United States capital was invested in Latin America with a total in the entire world of something like \$13,000,000,000. That is less than twice the annual governmental expenditure in this program which is before us today. Think of it—all of the private American money that is invested abroad does not amount to twice as much as the public funds we are passing on here today. But that figure is not agreed to by other sources. The Legislative Reference Service of the Library of Congress says that in 1949 the United States investments abroad were \$19,112,000,000. But the Coordinator of Information of the Congress says that investments abroad in 1947 were \$16,700,000,000.

Similarly, I tried to get figures on the investments of foreigners in the United States. There, the agreement seems to be closer; something over \$12,000,000,000. I have a figure of \$12,600,000,000 from the Coordinator of Information and \$12,300,000,000 from the Legislative Reference Service.

Just for purposes of comparison I wanted to find out what was the total investment of private capital in the United States. There I had greater difficulty. The Coordinator of Information gave me a figure as of 1938, total United States private investments \$309,430,000,000; but in 1949, the Legislative Reference Service says, according to figures based on Department of Commerce statistics, the total national wealth of the United States was \$600,000,000,000, which probably is a more reliable figure.

That forms the background for the amendment which I propose to offer, and in the House I will ask leave that it be printed in the Record. This amendment would deal with the general provisions of the act. It is intended to introduce it under section 605, after clause (b). In substance, it is a bill which I introduced on April 23, 1951, to create a commission on aid to underdeveloped areas. The purpose of this commission would be to find out why private capital is not being invested in those underdeveloped areas more extensively than it is, on the theory that the development of natural resources is, according to our economic philosophy, an undertaking for private citizens, rather than an undertaking for the government.

I think there should be no disagreement in this House to the proposition that we should aid and encourage the investment of private capital in foreign areas. I doubt if there is. I call the attention of the House to the fact that subsection (b) of section 605 of the committee bill has exactly that objective. It provides:

The Administrator is requested to recommend to the Congress such action as will, in his judgment, be desirable to eliminate the barrier to, and provide incentives for, a

steadily increased participation of private enterprise in developing the resources of foreign countries, consistent with the policies of this act.

The only difference between that provision and the amendment which I propose to offer is that I feel that a request of the Administrator is rather meaningless. I point out that there has been nothing to prevent the Department of State or any of the other foreign agencies of this Government from making an effective attack on the problem of reducing the barriers between countries so that natural economic forces can operate to develop natural resources according to the philosophy on which this Government is based. A request by Congress is weak.

We need to enlist the Congress and private citizens in the attack on this problem if we hope to get anything better or different than we have been getting from the executive branch of the Government in this field.

I have listened to the previous discussions with considerable interest. I wish to refer to the remarks of the gentleman from Wisconsin. I think we should give thorough consideration to his comments. I wish to refer specifically to that aspect of his remarks in which he pointed out that this combat with communism is not a combat that can be concluded with bullets and with bombs. I want to add to that observation only this: that, in my judgment, it is not a combat that can be concluded with dollars. Some of us had the opportunity to hear an interesting address by a former Communist a few weeks ago. He argued that in the combat between capitalism and communism we are really dealing with religious warfare. We are dealing in the field of ideas. We are dealing in the realm of the spirit. It seems to me that unless we have faith in our system equivalent to the fanatic faith with which the Communists evangelize their system, we are not going to win in the ideological battle. It is precisely for that purpose that I will offer my amendment to this measure.

I propose that we have an opportunity to express our faith in the American system of free enterprise, which is based upon the principle of equality of opportunity. It is not enough to provide orations or exhortations to those countries that have different systems and whose peoples are enslaved by feudalism and caste systems. We must prove to them that our system works. When we do actually encourage the investment of our people in other areas and create the friendship which those investments will accomplish, I say we will demonstrate to the people of the world that the American system of free enterprise is superior to that of totalitarian state ownership and state control of the processes of production and distribution.

I say that the energy of a free people far exceeds the organization of an enslaved economy, and we ought not to be afraid to demonstrate that superiority. We ought to be proud of our system, and we ought not in our dealings with foreign governments to emphasize the activity and the expenditures of our Government which are likely to be consid-

ered similar to the system of Russian communism. We ought to stand up for free enterprise if we believe in it, and this amendment will give the Members of this House a chance to do that.

The text of the amendment I propose to introduce is as follows:

Insert on page 31, after line 21:

"(c) (1) To assist in carrying out the purposes of this act, through encouraging and facilitating the development of the natural resources of foreign areas by the investment of private capital and eliminating barriers to and providing incentives for engaging in business enterprises in such areas by persons or business organizations who are nonnationals of such areas, there is hereby established a bipartisan commission to be known as the Commission on Aid to Underdeveloped Foreign Areas (hereafter referred to as the "Commission").

"(2) (A) The Commission shall be composed of 14 members as follows:

"(i) Ten appointed by the President of the United States, four from the executive branch of the Government and six from private life;

"(ii) Two Members of the Senate appointed by the Vice President; and

"(iii) Two Members of the House of Representatives appointed by the Speaker.

"(B) Of each class of members, not more than one-half shall be from each of the two major political parties.

"(C) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

"(3) The Commission shall elect a Chairman and a Vice Chairman from among its members.

"(4) Eight members of the Commission shall constitute a quorum.

"(5) (A) Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

"(B) The members of the Commission who are in the executive branch of the Government shall each receive the compensation which he would receive if he were not a member of the Commission, plus such additional compensation, if any, as is necessary to make his aggregate salary \$12,500; and they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

"(C) The members from private life shall each receive \$50 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

"(6) The Commission shall have the power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil-service laws and the Classification Act of 1949, as amended.

"(7) The service of any person as a member of the Commission, the service of any other person with the Commission, and the employment of any person by the Commission, shall not be considered as service or employment bringing such person within the provisions of sections 281, 283, or 284 of title 18 of the United States Code, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim,

proceeding, or matter involving the United States.

"(8) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this act.

"(9) (A) The Commission shall study and investigate the problem of aiding underdeveloped foreign areas and shall formulate and recommend to the President and the Congress specific programs for carrying out the purposes of the Act for International Development.

"(B) The Commission shall report to the President and to the Congress from time to time the results of its study and investigation, together with such recommendations as it deems advisable. The Commission shall file its first report within 1 year after the date of enactment of this act, and annually thereafter.

"(10) (A) The Commission may create such committees of its members with such powers and duties as may be delegated thereto.

"(B) The Commission, or any committee thereof, may, for the purpose of carrying out the provisions of this act, hold such hearings and sit and act at such times and places, and take such testimony, as the Commission or such committee may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before any committee thereof.

"(C) The Commission, or any committee thereof, is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this act; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, or any committee thereof, upon request made by the Chairman or Vice Chairman of the Commission or of the committee concerned.

"(D) The Commission, or any committee thereof, shall have power to require by subpoena or otherwise the attendance of witnesses and the production of books, papers, and documents; to administer oaths; to take testimony; to have printing and binding done; and to make such expenditures as it deems advisable within the amount appropriated therefor. Subpenas shall be issued under the signature of the Chairman or Vice Chairman of the Commission or committee and shall be served by any person designated by them. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U. S. C., title 2, secs. 192-194), shall apply in the case of any failure of any witness to comply with any subpoena or to testify when summoned under authority of this section."

Mr. JUDD. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HOFFMAN].

THE FOLLY, THE FUTILITY, THE DANGER OF OUR FOREIGN POLICY

Mr. HOFFMAN of Michigan. Mr. Chairman, although this bill calls for \$7,800,000,000, there are fewer than 50 Members on the floor so it may be assumed that most of the others have made up their minds as to how they intend to vote, or it may be that they have all the information they want or that they think those who speak today cannot give any new information.

I listened to the gentleman from Minnesota [Mr. JUDD], as I always do, with a great deal of attention. I doubt—and

I hope he will forgive me for this personal allusion—there is anyone who is more sincere, has greater patriotism, knows more about China, and the Far East, is more desirous of world peace or, may I add for good measure, less realistic, than is our good friend the doctor. He wants to do good to help all the world. He is not the first one who wanted to follow that course. Something like 2,000 years ago we had a situation where peace on earth, good will to men, love thy brother as thyself was preached. Christianity was the then new doctrine. That has not yet been accepted by all the world. That fact should not discourage us in our efforts. But I do not believe that the doctor's program or that of those who are associated with him—I see some of my good friends here who have been earnestly engaged in promoting this policy—I do not believe they will be able to impose their ideas or political philosophy upon the rest of the world by spending dollars or through the use of the sword.

I was greatly interested in the remarks of my friend, the gentleman from Michigan [Mr. MEADER], who comes from the Earl Michener district, when he said a moment ago that this was a contest in the field of ideas. The spirit, he said, must control. But I cannot follow that argument when I remember that so many of those who are for this program advocate the idea of knocking the tar out of these Communists by force if they do not conform to our ideas of the kind of Government we should have.

With all due respect to the views of my colleague, in my humble judgment, it is impossible for us to change the thinking of, for example, the people of India.<sup>1</sup>

<sup>1</sup> Editorial from the Dowagiac Daily News of August 14, 1951:

#### "MISGUIDED BENEFACTIONS"

"Glen Overton, who we regard as a substantial authority on the people of India, in his recent Rotary Club talk, touched upon what we believe to be the fundamental error in our efforts to be of service to these and other races of Asia who are in the process of gaining and digesting new freedoms.

"This error develops from our insistence in changing their way of life to ours. Why should we expect them to abandon customs and habits which antedate ours by millenniums even if we know they could vastly improve themselves? Especially as we know that they are not ready to so completely revolutionize their lives.

"As he said, to do away with their hand-craft methods and introduce mechanized methods and machinery would increase their major problem, that of feeding their teeming millions. The major problem is to increase food production to keep pace with the vast growth in population brought about by the introduction of modern health programs and the reduction of disease. Their land problems are intricate because of lack of acreage. New farming ideas which will utilize more people rather than less must come along with the gradual lessening of drudgery and toil but it will take generations perhaps.

"Mr. Overton pointed out that these Asian people do not want to change their way of life. Does that seem strange to us? We presume he meant that they do not want to revolutionize them faster than they can see the benefits and adjust themselves. We

I have a very distinct recollection of the sound advice given us not long ago by the majority leader, the gentleman from Massachusetts [Mr. McCORMACK]. He briefly, though concisely and clearly pointed to the folly of dealing with the Communists on any other than at an arm's length basis. He accurately stated something which we should all know, that they cannot be trusted, that they will not keep their word, that it is a waste of time to present an argument because they recognize nothing other than force.

#### WHY ARE WE HERE TODAY?

We are here today because we have accepted and acted upon theories rather than facts. When we point to the fact that the program of the internationalists has cost this Nation billions upon billions of dollars and more than a million lives, we are met with the stock assertion, "Yes, we admit that, but the situation would have been far worse had we not made the effort." There is no proof of the truth of that assertion. It is nothing but an assumption.

We fought World War I to end all war. It is a fact which no one can deny that all wars did not end with World War I. True, England was not overrun by the Kaiser's armed men, but apparently the seed of socialism was sown and certainly the soil was prepared for World War II.

We fought World War II to carry the "four freedoms" to the uttermost corners of the world. Do the internationalists claim that had that war not been fought, the world situation would today be worse? Do they claim that the "four freedoms" have been established throughout the world? Do they deny that today as one of the results of that war, the American people have less of freedom than they had before? Do the people who live in the colonial possessions of Great Britain, of France and the Netherlands enjoy the "four freedoms"? Where in the world live the people who are free from want, who are free from tyranny or threatened oppression?

The advocates of this plan, of the expenditures of these billions, insist that

insist on regarding them as capable of our accomplishments and ready for them off hand. Only after years of education, trial and error, and adjustment, will these peoples find their place in the modern world.

"To expect so much of them so fast is the current error. We can present our offerings in good faith for their appraisal but to try and force them into ways of life for which they are not prepared is an error which we commit out of our enthusiasms. Perhaps we do not realize that one of the important changes will be an alteration in their religious thinking and that is even more difficult or impossible than in their economic habits.

"The point comes up as Senator FULBRIGHT criticized a proposal of the State Department to send \$4,500 harvesting combines to Iranian farmers whose agriculture is highly primitive. FULBRIGHT suggests beginning at the beginning and show them simple improvements instead of trying to make a grand stand show. Perhaps such a sensible approach does not appeal to the do-gooders and makers-over who are ruining the United States while trying to give others what they do not want."

the dollars, yes and the armed might of our country must be used to prevent a wider spread of tyranny and oppression. Their program has not brought either peace or freedom, nor has it contained communism.

World War II delivered the Chinese people and millions of others into the hands of the Communists.

It is presumptuous, it is evidence of conceit, it is proof of a refusal to recognize the facts, it is contradictory of experience to continually assert that the world, as a whole, would have been in a worse situation had we not followed the advice, the program of the internationalists.

We are here today to make another payment of billions of dollars because we failed to recognize the folly, the futility, the danger, of our present foreign policy.

Putting an army into Europe where it is not wanted will tend to continue world war III.

Some of us derisively named as isolationists who have always insisted that in foreign affairs we should adhere to the policy of avoiding entanglements in the affairs of foreign nations, as we were advised by George Washington in his farewell address, by Thomas Jefferson in his inaugural address, have frequently pointed to the folly, the futility, the danger of attempting to care for the whole world, as this and the preceding administration, the internationalists on both sides of the aisle have insisted we should do, now find that some of those who spoke most vociferously in favor of the present program, who gave it vigorous support, who charged all who opposed it with a lack of humanity and, sometimes, loyalty to our own country, learning from bitter experience, seeing the danger which confronts us, now acknowledge the soundness of our views, the threat to the security of our Republic, if we adhere to the present foreign policy.

This country of ours in its last effort to impose the ideas, the thinking of the internationalists upon the rest of the world, or if you prefer, their sincere efforts to help the rest of the world, have led us since the fighting in World War II ended to spend more than \$100,000,000,000, to sacrifice the lives of at least 30,000 Americans, to impose casualties upon more than 150,000 Americans, to send an armed force of more than 250,000 Americans to the Korean battle front. It is fair to assume that if their plans are followed soon they will have more than one-half million Americans in Western Europe and that ultimately they will have in Europe an American army under the command of an internationalist leader, fighting under an international flag, of no one knows how many million men, for the interest and advancement of a foreign—not our own—people or Nation.

Their proposal, which is before us today, is that we make another payment of \$7,800,000,000 in support of a program which one of the chief advocates of that program, because of our bitter experience, has now repudiated.

Permit me to quote some of the questions to, some of the answers given by,

Mr. Foster, the Administrator of the ECA—Marshall plan—when he testified on Monday, July 13, 1951, when S. 1762, the Mutual Security Act of 1951, was being considered by the Senate Foreign Relations Committee.

The subheads are mine.

#### COVERING THE EARTH

The CHAIRMAN. Mr. Foster, you seem to have somewhat covered the earth instead of sticking to what you are supposed to do under this appropriation.

How much money are you going to get for your organization out of this appropriation?

Mr. FOSTER. Two and two-tenths billion dollars, Mr. Chairman, and that covers the earth, I might say.

Mr. CHAIRMAN. It ought not. We cannot cover the whole earth and get anywhere, as I see it.

What do you mean when you say it covers the earth?

Mr. FOSTER. I mean by that, sir, that this is an economic assistance program not only to Western Europe, but an assistance program which also helps countries in the free world in South Asia, Southeast Asia, the Far East, Latin America, the Near East and Middle East.

#### THE PURPOSE OF THE BILL

The CHAIRMAN. The primary purpose of this bill is to aid in arming Western Europe because that, we figure, is a defensive area to the safety of the United States.

I noticed that you spent considerable time in your statement dealing with Southeast Asia. Do you think the Russians are going to come over through Southeast Asia and then attack us over here?

Mr. FOSTER. I have no opinion of the military problem, sir.

Mr. CHAIRMAN. I am talking about the military problem.

Mr. FOSTER. I know there is a great deal of pressure, economic and otherwise, to take over those countries in South and Southeast Asia by either the Communist or the Communist allied satellites and I feel it is definitely to our security advantage that we give aid in order to attempt to offset that.

I think it is in that area that we have numerically the greatest number of peoples who are still in the free world and, as I indicated in this statement, out of that area come to us things that in our own security interest we must have in the shape of raw materials in order to carry on this arming of Western Europe to which, of course out of this bill, is devoted the greatest proportion of the economic assistance.

#### WHERE WE HAVE OPERATED

The CHAIRMAN. You have operated chiefly in Europe so far under the ECA, have you not?

Mr. FOSTER. You will recall in China, starting in 1948, before the Nationalist Government was forced off the mainland, we had a mission there. We also had a mission in Korea until the beginning of this present calendar year, at which time most of our activities were turned over to the Army.

We have since last summer had in Indochina, in Indonesia, in Burma and Thailand, programs of special technical and economic assistance and as of the sixth of April we have had a mission in the Philippines. We have given some aid to India in the form of wheat under a loan agreement, with which you are familiar. We have, for more than a year, been active in several missions there and for more than 2 years in two missions.

#### WHERE OUR MONEY WILL BE SPENT

The CHAIRMAN. In this appropriation you will get something over two billion dollars. Of that, how much will you spend in Europe and how much in Asia and all over the world?

Mr. FOSTER. Out of the \$2,200,000,000, \$1,650,000,000 is for European purposes. The other areas are the South Asian and Southeast Asian, which are \$375,000,000; the Near East which is \$125,000,000, and Latin America which is not under our supervision, is \$22,000,000 for economic and \$40,000,000 for military aid.

#### BY WHOM

The CHAIRMAN. Under whose supervision is it?

Mr. FOSTER. That is now under the Technical Cooperation Administration in the State Department, Mr. Chairman.

#### HOW IT IS PROPOSED TO HELP

The CHAIRMAN. You say in your statement on page 4, "in carrying out their task, the countries of Asia need our help. By furnishing military assistance, we can assist them to keep internal order and discourage attack. By providing technical and administrative skills and equipment, we can help them develop those services. We can provide technical aid and some of the pump-priming capital and commodities needed."

Have these countries not needed our aid always? This is not a new situation. Have they not been in need of these things in all the years gone by?

Mr. FOSTER. Many of these countries, Mr. Chairman, are newly independent and they are attempting to meet the problems of their peoples today with new governments and new methods. Most of them are inexperienced. Most of them lack of the type of administrative skills which our colonial empires provided them with in the past.

They have great resources in a material sense in many of these countries. They have great raw-material availabilities. If they are properly helped to make the best use of those resources, it is our belief they will be able to stand on their own feet and we think it is in our interest to help them do that.

The CHAIRMAN. It is in our interest to spend billions of dollars building up these countries. That is your position?

Mr. FOSTER. I think it is in our interest to provide the sums which we have asked for them, Mr. Chairman.

In terms of the amounts which they require, they can do a great deal more with very much less money than has been necessary to provide in Western Europe. That is primarily because much of what they need is technical advice and counsel in terms of people rather than in terms of commodities.

In Western Europe the vast amounts we have required in the past have been largely needed to rebuild the industrial machines to provide food, fuel, commodities and raw materials, so that the amounts called for might over the course of years run into a billion dollars in terms of the programs we are thinking about now.

Our availabilities last year, for instance, were \$164,000,000 in that area of southeast Asia and the Far East.

#### THE RESULTS

The CHAIRMAN. Did you see any results from it?

Mr. FOSTER. Yes, sir. We have obtained very excellent results.

The CHAIRMAN. What are they?

Mr. FOSTER. In terms of their ability to provide more for their people in terms of greater stability in some of those governments; in terms of their ability to resist internal subversion to at least some extent. We do not claim this comparatively small program of economic aid solves their problems, but it has made progress and has made a contribution.

#### MONEY TO REARM WESTERN EUROPE TO BE USED IN SOUTHEAST ASIA

The CHAIRMAN. Now, we have been told that this bill and this plan was to cut ECA off in Europe largely, and to divert the funds that have heretofore been allotted to ECA to

the military and the arming of Western Europe. That is what we have been told.

You come up here for hundreds of millions for Southeast Asia. What does that have to do with work in Europe of an economic nature, or rearming Western Europe?

#### WHO ARE THE FREE PEOPLE?

Mr. FOSTER. It has this to do with it, Mr. Chairman. We have out in that area, as I said earlier, numerically the greatest number of free peoples yet—

The CHAIRMAN. They are not free if they are in the shape you are talking about. We have to go out there and furnish them the money to do all these things for them. How are they free?

Mr. FOSTER. They are free in terms of having their own governments; they are free in terms of having the ability to make their own decisions; they are free in terms of the possibility of hope for the future and they are free in terms of being able to enter into international trade and to provide us with a great many of the things which we need to do this job in Europe to which you refer.

#### FORMER ADVOCATE OF ECA ADVISES GETTING OUT OF ECA IN EUROPE

The CHAIRMAN. I think the shoemaker should stick to his last. You were appointed to take care of ECA over in Europe, get out of the business over in Europe and to divert the funds you have been receiving for ECA to the military rearming of Western Europe and here you are putting the main emphasis on going out to Southeast Asia and chasing a problem out there instead of sticking to Western Europe. Western Europe is our danger if we are going to be invaded or are going to be attacked. It will be through Western Europe if we are attacked. I do not agree with your philosophy at all.

Mr. FOSTER. Mr. Chairman, if I may, I would like to make one correction. I do not think we are putting the main emphasis on South and Southeast Asia. I think it is an important point.

The CHAIRMAN. You have in your testimony here made more noise about that than anything else you have said.

Mr. FOSTER. Perhaps more noise, sir, but I doubt if there was more emphasis. I felt it was important for this committee to understand that there is a substantial interest for the security of the United States in helping South and Southeast Asia and the Middle East and the Near East.

#### THE UNITED STATES CANNOT PRESERVE ITS OWN FREEDOM, PRODUCTIVITY, WHILE OPERATING A WORLD-WIDE ECA

The CHAIRMAN. Helping everybody. You say it is world-wide. You have to help everybody. The United States cannot preserve its own freedom; it cannot preserve its own productivity if, according to you, we have to take care of the whole world. That is what you said earlier.

#### INTERNATIONALISTS STILL INSIST WE SUPPORT "THE WHOLE FREE WORLD"

Mr. FOSTER. I say, sir, that the free world is important to our own security and I think, therefore, it is in our interest to contribute to maintaining the whole free world.

The CHAIRMAN. You think that is our business, to maintain the whole free world? Mr. FOSTER. I believe so.

#### WHERE OBTAIN THE FUNDS

The CHAIRMAN. Where are you going to get the revenue and the money and the taxes to do that? The fellows who spend all your time spending money for the Government do not even think about how we have to struggle here in Congress to get the money. Right down the hall now the Finance Committee is in session struggling with a tremendous tax bill. You want to take that money that is squeezed out of our people and take it over across on the other side of the world to build up and take care of

those little wobbling countries. Is that your philosophy?

**INTERNATIONALISTS SHIRK RESPONSIBILITY FOR POLICY**

Mr. FOSTER. It is not anything I want to do. These things are forced on the United States by a situation created by others.

**INTERNATIONALISTS ASSUME TO SPEAK FOR ALL IN THE UNITED STATES**

The CHAIRMAN. You are not the whole United States.

Mr. FOSTER. That is perfectly correct, sir. The CHAIRMAN. You act like it. You talk like you are the whole United States.

Mr. FOSTER. I have no illusions. I have a job which I am attempting to do to contribute, as I see it, to improving the security of the United States.

The CHAIRMAN. You are going to do it as you see it. How about as Congress sees it?

**INTERNATIONALISTS INSIST CONGRESS CREATED POLICY**

Mr. FOSTER. I am following out, sir, the instructions of Congress which I think in its wisdom in setting up this bill it did a very good job.

The CHAIRMAN. Where are the instructions from Congress that you have to take care of the whole free world? That is what you said. Where is it? Where is the law?

Mr. FOSTER. Congress has passed the Foreign Assistance Act; it has passed an act in the general area of China. The Congress has passed the Technical Cooperation Act. All of those cover the items which we are requesting from you, sir, in this bill.

The CHAIRMAN. Senator Green, you may take the witness.

Common sense and good judgment should convince us, as should the foregoing questions and answers, that the foreign policy of this country, as exemplified in this program, is not only futile, will not only destroy the freedom and the liberty of our people but threatens the very existence of the Republic.

I, for one, can accept your ridicule; your criticism that my views are narrow; that I am a reactionary and an isolationist; because I believe in the soundness of the principles laid down in the Constitution, in the worth of the advice given us by George Washington and Thomas Jefferson, have faith in the ability, the courage, and the endurance of our people to maintain this—a free Nation. But I beg of you to pause and give heed to the statements of one of the most vigorous and outstanding advocates of the policy to which you still cling.

Do not insist upon continuing down the road which has brought us, our people, so much of suffering and sacrifice—to the world so much ruin and unrest, turned much of the world into an armed camp.

Mr. RICHARDS. Mr. Chairman, I yield 6 minutes to the gentleman from New York [Mr. HELLER].

Mr. HELLER. Mr. Chairman, at the outset I want to associate myself with the remarks of the gentleman from Arkansas [Mr. HAYS], a truly great Representative from a great State. I join with him in congratulating the distinguished gentleman from Minnesota [Mr. JUDD] on the excellent speech he delivered about half an hour ago. He always inspires me. He is a great American. He has certainly pinpointed the

problem with his usual great skill and courage. The gentleman from Massachusetts [Mr. HERTER] also deserves the deep and abiding gratitude of the Members of the House and the American people for his contribution toward a better understanding of the many phases and problems raised by the bill under discussion.

I would like to compliment the distinguished chairman of the Committee on Foreign Affairs [Mr. RICHARDS] and the members thereof who worked so tirelessly and arduously to bring this bill to the floor and for doing such an outstanding and magnificent job.

Mr. Chairman, I wish to go on record in support of the proposed program for military and economic aid to our Allies which is aimed to strengthen the resistance of the free world to Communist aggression. The freedom-loving people of the entire world are watching and waiting for our prompt and decisive action in extending this aid to our allies, and thereby serving the most effective notice to Soviet Russia that the free world is determined to remain free at all costs. The freedom of the world for many decades to come may very well depend upon our action here and upon our determination now to make sacrifices, if necessary, so that human dignity and the rights of the individual are recognized and protected.

Mr. Chairman, it has become customary to refer to this assistance to our allies as "foreign aid." I consider that designation as a misnomer. The description "mutual security" which appears in the bill, is a more correct one because, as was explained by our distinguished chairman, three-fourths of the proposed program is intended for supplies, equipment, and other assistance of a military nature, while the remainder of the program is aimed to bolster the economy and defense efforts of the free nations allied with us for military production.

That has been stated on more than one occasion today. I submit that military and economic aid are supplementary to each other.

While our attention is concentrated on the present and potential dangers, we must bear in mind what has been accomplished in the past few years. The free world has come a considerable distance in overcoming some of the dangers that have plagued us during these postwar years. Yes, we have had our share of failures and heartaches, and we are still having them, but we have also had successes and encouraging developments, which should give no respite to our enemies.

What are some of these encouraging developments? We should appraise them once in a while. We should take inventory.

At the risk of being repetitious, since reference is frequently made to them, here is but a partial list:

Communist imperialism was dealt a strong and firm blow by the Soviet-Yugoslav split and Tito's defection to the West.

The Marshall plan certainly helped Western Europe attain economic recov-

ery during the past 3 years, and that has meant increased productivity for our allies.

Communism has been checked in many countries, notably in Western Europe, where the Communists have lost important elections. You have heard that discussed today. In France, Italy, and other countries the local Communist Parties, which are subservient to the whims of Moscow, have not been able to tie up the ports and prevent the landing of American military supplies, as many of us feared might happen, nor have they been able to carry out political strikes in an effective manner.

Communism has been successfully checked in Korea where the United States and the United Nations have collectively unmasked Soviet aggression and have vividly brought it to the attention of freedom-loving peoples all over the world.

Considerable progress has been recorded in cementing the unity and collective efforts of the North Atlantic countries in building up their military power under the leadership of General Eisenhower. The most dire threats from Russia did not succeed in keeping Norway from joining the North Atlantic Pact. Not only was the unity of the West able to withstand all Communist efforts to disrupt it, but it has grown tremendously in the past year.

These are some of the major achievements, though not all, which we must remember when we consider our future steps. What stands out primarily, in my opinion, is the fact that peace-loving nations have voluntarily entered into an alliance with us and are arming themselves to resist aggression and to avert another world war. I believe this is the first time in the history of mankind in the past few centuries this has been attained on such a large scale in a peaceful and voluntary manner, rather than by force and imposition.

Much still remains to be done before we and our allies will have achieved sufficient strength to feel reassured in having attained the necessary security. We have built up a reservoir of good will throughout the world that will redound to our credit for generations to come. Let us not fritter it away at this time by some rash action or shortsightedness, for which our children and our children's children may never forgive us.

If civilization is faced with a myriad of problems today, it is due primarily to one underlying cause: namely, the specter of communism which is haunting the entire world. The international tensions, the inertia on the part of the people of many countries, run-away inflation, or the threat of it which is hovering over many nations, the appalling shortages of raw materials—these and many other problems are a direct result of this Communist specter, which breeds violence, preaches world revolutions, and aims to dominate over all the nations and peoples of the world.

In the President's midyear Economic Report to Congress, we have an excellent analysis of the economic problems created in the United States by the Communist threat to the free world. Let me

cite only a few brief sentences from that report:

We must be ever-mindful that the Soviet imperialists are relentlessly pursuing a long-range plan. \* \* \* That the strategy is to probe for weak spots in the strength or morale of the free people, and, if a weak spot can be found, to strike another blow.

The value of our aid programs, however, is far broader and more significant than simply a good investment in security. These programs will mean that freemen, in many countries, will be able to stand up against the threats, the lies, the subversion of Communist aggression. They will be able to defend themselves against bullets—and they will be able to combat communism's allies of poverty and hunger and sickness.

Mr. Chairman, Communist imperialism has now engulfed an area extending from central Europe eastward clear across the vast land area that is Asia to the shores of the Pacific Ocean. It is now threatening to spread into the neighboring countries along its huge circumference. Where possible this is done through bloodless subversion and treachery as in the case of Czechoslovakia and other Eastern European countries, or else through open bloodshed and conflict as in Korea. The latter is not always successful. After having initiated the act of aggression in Korea, Communist imperialism realized that it committed one of its most grievous errors because it resulted in the awakening of America and of the whole world to the true aims and aspirations of the Kremlin. We are now witnessing the well-known zigzag policy of advance and then retreat when it gets too hot for comfort, which has characterized Soviet communism over these last three decades.

Discussing the strategy and tactics of communism, Stalin has the following to say in his book on Leninism—page 148:

Tactic is the determination of the line to be taken by the proletariat during a comparatively short period of the ebb or flow of the movement, of advance or retreat of the revolution: the maintenance of this line by the substitution of new forms of struggle and organization for those that have become out of date, or by the discovery of new watchwords, or by the combination of new methods with old—

And so forth. In his work, Stalin seeks to stress the importance of understanding when and how to advance and under what circumstances to retreat. To make his point emphatic, he quotes Lenin as follows—page 153:

Revolutionary parties must go on learning. They have learned how to attack. Now it is time for them to realize that this knowledge must be supplemented by acquiring a knowledge of how best to retreat. We have got to understand that victory can only be won by those who have learned the proper method both of advance and of retreat.

Mr. Chairman, the world has long ago awakened to the fact that communism does not believe in genuine understanding and collaboration with non-Communist countries, except during brief periods or under special circumstances whereby the end justifies the means. World War II was such an exception, but no sooner was the war over when communism showed its true colors. If this proved surprising to some among us, let

me cite this brief passage from Lenin's works—volume 8, page 33—where he established the Communist policy on cooperation with other countries:

We are living not merely in a state but in a system of states, and the existence of the Soviet Republic side by side with imperialist states for a long time is unthinkable. One or the other must triumph in the end. And before this end supervenes, a series of frightful collisions between the Soviet Republic and the bourgeois states will be inevitable.

Will that sinister prophecy of Lenin's come true? I hope not. But we cannot depend on hopes alone. We must take all necessary precautions within our power to make certain it does not materialize, and at the same time we must utilize all precautions to be prepared for any eventuality. I am convinced that preparedness on our part will prove to be one of the greatest deterrents to the realization of Lenin's prophecy.

The question of preparedness is now uppermost in our minds; it is one of great importance, and of utmost urgency. General Eisenhower, in an address several months ago, summed it up in a few words when he said we must build a secure wall for peace. This is very true. This is exactly what we will help to construct if the bill before the House is passed.

I recently had occasion to reread Patrick Henry's most famous and eloquent speech before the convention of delegates in Richmond, Va., which he delivered on March 23, 1775. It is remarkable how in his impassioned address, born of fearless patriotism, this great American statesman of the eighteenth century expressed profound thoughts and views which are so applicable to our situation today. He was talking about oppression, and the urge for freedom; he urged his countrymen to be prepared for armed resistance, and appealed to them not to listen to the song of the siren and the false cries for peace amidst the clash of resounding arms. Let me read to you a few excerpts from this historic address:

It is natural to man to indulge in the illusions of hope. We are apt to shut our eyes against a painful truth and listen to the song of that siren, till she transforms us into beasts. Is this the part of wise men, engaged in a great and arduous struggle for liberty? For my part, whatever anguish of spirit it may cost, I am willing to know the whole truth—to know the worst and provide for it.

Mr. Chairman, the Russian lullaby has now turned into a song of the siren, which is trying to lull us to sleep at Kaesong with its false pretenses of a cease-fire in Korea. We should know the truth, we should not fear the worst, and we should provide to meet it. Experience is our best teacher and guide. If we substitute the word "Soviet" for "British," and perhaps make one or two other minor changes in the following quotation from Patrick Henry, we can almost picture him right here in our midst arguing our present-day problems. He said:

I have but one lamp by which my feet are guided, and that is the lamp of experience. I know of no way of judging the future but by the past. And, judging by the past, I wish to know what there has been in the conduct of the British ministry for the last 10 years

to justify those hopes with which gentlemen have been pleased to solace themselves and the House? Is it that insidious smile with which our petition has been lately received? Trust it not, sir; it will prove a snare to your feet. Suffer not yourselves to be betrayed with a kiss. Ask yourselves how this gracious reception of our petition comports with those war-like preparations which cover our waters and darken our land. Are fleets and armies necessary to a work of love and reconciliation? Have we shown ourselves so unwilling to be reconciled that force must be called in to win back our love? Let us not deceive ourselves, sir. These are the implements of war and subjugation—the last arguments to which kings resort. I ask, gentlemen, sir, what means this martial array, if its purpose be not to force us to submission? Can gentlemen assign any other possible motives for it?

Mr. Chairman, does not this make you think of the false peace petitions circulated by the Communists in the past few years, while at the same time Russia maintains the largest army in the world? Against whom is this army being prepared if not to establish domination of the world by force? If Russia was really earnest in her efforts for world peace, could not her leaders think of a better way to attain international amity than by invasion of Korea and by threatening other areas of the world?

We have done, and are still doing, everything in our power to avert a new world conflagration, but our efforts for cooperation and understanding have thus far been in vain. Instead of a friendly, outstretched hand of human brotherhood, we have always come up against the clenched fist of communism. Under such circumstances, how can we even entertain any hopes for peace or reconciliation? It takes two to make a bargain, but thus far all our calls and pleas for genuine peace have fallen on deaf ears.

At this point, Mr. Chairman, let me quote another few lines from Patrick Henry which are so applicable to our own day and some of the arguments we often hear from the defeatists and the weak of heart. This great early American patriot told the Delegates at that famous Richmond convention in 1775:

They tell us, sir, that we are weak; unable to cope with so formidable an adversary. But when shall be stronger? Will it be the next week, or the next year? \* \* \* Shall we gather strength by irresolution and inaction? Shall we acquire the means of effectual resistance by lying supinely on our backs and hugging the delusive phantom of hope, until our enemies shall have bound us hand and foot? Sir, we are not weak, if we make a proper use of the means which the God of nature hath placed in our power. Three millions of people—

Today Patrick Henry would proudly say 153 millions of people—

armed in the holy cause of liberty and in such a country as that which we possess are invincible by any force which our enemy can send against us. Besides, sir, we shall not fight our battles alone. There is a just God who presides over the destinies of nations, and who will raise up friends to fight our battles for us.

Mr. Chairman, thank God we can fight our own battles today, if necessary. God, however, has been good to us, and has helped raise friends who are

now our allies. But we still need more friends to fight alongside of us, because today we are engaged in a world conflict.

The concluding lines of Patrick Henry's speech are relevant today. With pride I quote this most famous patriotic passage:

Gentlemen may cry "Peace!" "Peace!" But there is no peace. The war is actually begun. The next gale that sweeps from the north will bring to our ears the clash of resounding arms. Our brethren are already in the field. Is life so dear, or peace so sweet, as to be purchased at the price of chains and slavery? Forbid it, Almighty God! I know not what course others may take; but as for me, give me liberty, or give me death.

Yes, Mr. Chairman, our brethren are already in the field. The crash of arms and the sound of ominous thunder form the background to Russia's false peace offensive. Our best and only reply should be to strengthen our own defenses and those of our allies, for only in this way can we hope to achieve peace, only in this way can we hope to eradicate all signs of defeatism and despair among the peoples of the free world and bring to them leadership, confidence and resoluteness of action.

Under the circumstances, the bill we are now considering assumes even greater importance at this time. It is our way of saying to the free nations of the world: "come, let us together build up our common strength, let us together use our material resources, our technical knowledge, and our great resources of manpower to show the aggressor that we are ready to defend our lands, our homes, and our way of life."

Our allies are expecting sound guidance and decisive action from us, not mere words, however well-meaning. The success or failure of our action will determine the degree of reaction among our friends throughout the world. If we should drastically cut the extent of our military and economic aid proposed in the President's mutual security program, it will be taken as an indication that we are not serious in our defense efforts. This will definitely result in a relaxation of the defense effort of our allies, and a consuming feeling of apathy and defeatism will engulf the whole world.

Mr. Chairman, this is undoubtedly what the leaders in the Kremlin are hoping for. When the slackening of our efforts sets in and the feeling of futility begins to prevail throughout the free world, it will be the long-awaited sign for Stalin to undertake the realization of Lenin's sinister prophecy of the inevitable collision between communism and the democracies and the subjugation of the whole free world.

These are the reasons that compel me to give my unqualified support to the President's mutual security program as a military and economic necessity for us and for the nations allied with us. As between the course of action prescribed by Patrick Henry and that advocated by Lenin and Stalin, I prefer to choose the wisdom of those ringing words of the American prophet of liberty rather than the foreboding words of the modern prophets of doom.

Mr. VORYS. Mr. Chairman, I yield 5 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I have long been an advocate of having the military and diplomatic heads come before the entire Congress and describe to the entire Congress the need for the appropriations both in this country and the countries of the world we are helping under this bill. I shall vote for this bill. I do not know just how I shall vote on the amendments, but I certainly believe in giving some aid to the countries loyal to us—and who will cooperate with us.

One provision in which I am interested because I introduced a bill, H. R. 3492, which would provide a grant of \$150,000,000 to Israel, and the recommendation of the House Foreign Affairs Committee allocating \$50,000,000 for the relief and resettlement of refugees in Israel goes part of the way to satisfy the provisions of H. R. 3492 which proposed a grant of \$150,000,000. As the author of that bill, I had hoped that we could do more to assist Israel in its struggle to absorb hundreds of thousands of immigrants and to achieve economic independence. Yet I believe that the House committee action will make a substantial contribution to the solution of this problem, while at the same time dealing fairly with both the Israelis and the Arabs. I trust that the House will accept it.

During my service in the House I have watched with deep sympathy and admiration the struggle of the Jewish people to overcome persecution, to achieve independence and to provide a refuge for hundreds of thousands who have escaped to Israel from the DP camps, from Communist expropriation behind the iron curtain and from the ghettos of North Africa. I am convinced that history, looking backward, will single out this great achievement as one of the very few constructive episodes of our generation.

Our generation has witnessed two terrible wars, depressions, revolutions, conquests and twice the terrible menace of world dictatorship, first by nazism and now by communism. It is against this background that we should assess the significance of Israel, its regeneration of a dispersed people, its mass resettlement of refugees, its successful struggle for independence and its resistance to invasion and finally, and above all, its advocacy of freedom in a feudal part of the world.

It may be asked by some, why we, concerned with defense and armament, should make provision in a mutual security program for the resettlement of refugees.

Mr. Chairman, defense begins with people. You can defend no area with machines alone. You must have people ready and willing to fight. And they must have something to fight for. We, who fought and won our own independence by the courage and tenacity of men and women who had the will to struggle against great odds, are too prone to forget this basic fact. Freedom can be

secured only by those who understand and cherish it.

The Near East cannot be defended if its peoples are insecure and unsettled. It is crucial to our defense that we strengthen the Near East. The first step must be the resettlement and reintegration of both the Jewish and Arab refugees who are still homeless, destitute and without means of self-support.

Let us speed this great refugee resettlement program of the Jews and Arabs. The more quickly it is done, the more stoutly we shall build our defenses against Communist aggression in the Near East.

I believe that it is fair to them. I believe it is fair to both the Jews and the Arabs. I hope the House will accept that provision.

The CHAIRMAN. The time of the gentlewoman from Massachusetts has expired.

Mr. RICHARDS. I yield 5 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Chairman, I think there are several obvious assumptions that we can make about the rearmament of Europe.

First, I think it is obvious that Russia will believe herself endangered by our building air bases so close to Russia, and by the rearmament of Europe.

Second, Russia desires to stop this rearmament and to deter us from using these air bases.

Third, the reason Russia has not marched to war in Western Europe already is first, she is not ready and second, our strength in Western Europe is not sufficient to cause her any real danger.

Fourth, Russia is making progress in cutting down our atomic superiority.

Fifth, unless Western Europe is strengthened quickly enough to deter the Russians on the land, once they overcome our overwhelming atomic monopoly, then there will be heavy pressure in Russia for her to move in on Western Europe before we are ready.

Therefore, I believe that the present slow rate of rearmament in Western Europe is an encouragement to war and not a deterrent. If Russia sees the Western Europe rearmament program spread out until 1953 or until 1954, and if she sees us building air bases so close to her vital sources of supply, then obviously there will be great danger that she will move into Western Europe to deny us these air bases and deter us from building up sufficient ground strength to prevent her armies from moving into Western Europe. I think the whole trouble lies in the fact that the rearmament program for Europe is being spread out much too far. The job is not being done quickly enough. Not one of these countries, with the exception of Great Britain, is devoting the percentage of her income anywhere near equal to that of our country for rearmament. In not one of those countries, with the exception possibly of Great Britain, are they taking men in for so long a period as our draftees, nor have they enforced economic controls equal to ours. I believe you are not going to get the 50 or 70 or 80 divisions, which General Eisenhower

called for and which he feels is the minimum which can deter the Russians from moving on land, until the end of 1953 at the present rate. I think there is grave doubt that the Russians will wait until 1953 for us to build these forces. Do you think they are going to give us until 1953 or 1954 to develop this ground strength so that we can defend our air bases abroad. There is danger that they will move, and unless we do this job quickly, and unless Europe is rearmed by the middle of 1952, I think the chances of a war are tremendously increased.

Mrs. BOLTON. I am wondering if the gentleman took up the question of the air bases when the appropriation was under consideration on the floor.

Mr. KENNEDY. I am not disagreeing with the establishment of those air bases. What I am disagreeing with is the rate of the rearmament program in Western Europe. I think it can be done much quicker. I do not think it is being done as fast as it should be done. I do not think they are devoting the percentage of their income to defense that they should be.

Mrs. BOLTON. Have you taken it up with the Department of Defense?

Mr. KENNEDY. I am merely saying that I think it is obvious you are going to tremendously increase the chances of war if you let 1952 go by without having sufficient strength on the ground to deter the Russians from attack. I think all you are doing at the present rate of rearmament is stimulating a Russian attack.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY. I yield to the gentleman from New York.

Mr. JAVITS. Does not the gentleman agree that if we could just follow that course—and, incidentally, I am in sympathy with your point of view—that we will have to put up a great deal more than we put up in this bill, and we are running into a lot of trouble to get support for this bill. They do not have the plants to put out the end items, and if we want to do what you suggest, we would have to go a lot further than we go in this bill.

Mr. KENNEDY. The gentleman must know, for example, that the production of military equipment in those countries could be doubled or trebled.

Mr. JAVITS. But it takes time to key up to that, even if we gave them the money. I am with the gentleman.

Mr. KENNEDY. They do not have effective controls on their strategic materials. Does any country have the controls that we have, with the possible exception of Great Britain?

Mr. JAVITS. I would agree with my colleague that Great Britain is the only country that is really pushing at the top of its capabilities. I point out that if they all pushed at the top of their capabilities we would have to probably double or more than double what we are willing to do now in end investments, and take it away from our own forces.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. RICHARDS. Mr. Chairman, I yield the gentleman one additional minute.

Mr. KENNEDY. I will say to the gentleman that I would be willing to do a lot more than we are now doing, if I thought it would result in the 50 or 70 divisions by 1952 that are essential if they are going to deter the Russians from moving. I do not object to sending American troops or American money there if I thought that the Europeans were doing their part. All I object to is half doing the job and stretching it out over the months. I think this program of rearmament of Western Europe as we are now doing it is the best way to bring on a world war with Russia.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. VORYS. Mr. Chairman, I yield 7 minutes to the gentleman from Illinois [Mr. McVEY].

Mr. McVEY. Mr. Chairman, I am arising in opposition to this bill, and I want to say I believe there is no one who is more interested in the welfare of other nations than I. For many years, I have been contributing to world-service movements of various kinds—through my church, through the YMCA, which has an extensive world-service program, and in other ways. But that was my own money I was spending. I have no quarrel with anyone who wants to give his last dollar to save the rest of the world, but there is one country I love more than any other, and that is land of my birth, the United States of America.

And I think we need to take heed lest we spend that country into bankruptcy. We need to take heed lest in our attempt to save others we lose our own souls. Let us take a little look at our financial situation. In the statistics given out by the Department of Commerce, we find that our dollar is now worth 44 cents, in terms of prewar purchasing power, using the years 1935-39 as a base—not 1932 but 1935 to 1939. A little further study reveals that a year ago the purchasing power of the dollar in terms of the same base was 57.7, a decline of 13.7 cents in a single year, a pretty rapid descent, but that is what happens to the purchasing power of a currency when a nation pursues the monetary policies we have been following in recent years. The decline is gradual at first, and then becomes more rapid as the accumulated effect of such policies continues. That has been the pattern followed by every country that has resorted to such practices. We are headed for a 25-cent or a 10-cent or a 5-cent dollar, if we continue our deficit-spending program. There is no way to control inflation with the purchasing power of the dollar declining. It is nonsense to think otherwise—prices will continue to rise just as long as our currency becomes cheaper and cheaper. That is one of the most elementary principles in economics.

Now why does the purchasing power of the dollar continue to decline? It is the accumulated effect of deficit financing. Not just what has happened in the last 5 years, but what has happened in the last 19 years. If we go back to the Republican Congress and include the years 1946 to 1948, we do show a surplus, but if we consider the last 19 years, we find a deficit of \$222,000,000,000, and that amount of money cannot be injected into the economy of any country without creating serious inflationary problems. In fact deficit spending provides the fertile soil from which inflationary spirals spring. The administration in power has balanced the budget but 1 fiscal year in the last 18, and that year was the one just ended—June 30, 1951. The reason in that case was due to the fact that the defense spending could not get under way as rapidly as the money came in. The commitments far exceeded the income of the Treasury.

Here is the record of deficit spending for the last 19 years:

Fiscal year	Total Federal expenditures	Federal deficit or surplus (-)
	Millions	Millions
1952, to July 3, 1951.....	\$518	-\$170
1951.....	48,143	3,510
1950.....	40,167	-3,122
1949.....	40,057	-1,811
1948.....	33,791	8,419
1947.....	39,289	8,753
1946.....	60,703	-20,676
1945.....	98,703	-53,941
1944.....	95,315	-51,420
1943.....	79,622	-57,430
1942.....	34,187	-21,490
1941.....	13,387	-6,159
1940.....	9,183	-3,918
1939.....	8,966	-3,862
1938.....	6,938	-1,177
1937.....	7,756	-2,777
1936.....	8,493	-4,425
1935.....	6,521	-2,791
1934.....	6,694	-427
1933, Mar. 4 to June 30.....	1,164	.....
Total.....	639,607	222,904

Source: U. S. Treasury Department, annual report, and daily statements.

Now why is the subject of deficit spending of importance in the debate on this measure before us today? It is important because much of that deficit has been created through our efforts to help the rest of the world. We have appropriated for foreign aid since we began our lend-lease program prior to World War II approximately \$90,000,000,000. Certain credits must be deducted from that amount, but the books show that during the period beginning in 1938 and ending March 31, 1951, the net foreign aid provided was \$69,899,000,000.

This is a sizable sum and while there is no gainsaying that the aid extended has been very helpful to other countries, the time has come, in my opinion, when we must call a halt if we wish to save our own country from disaster. One purpose of foreign aid was to help the countries of Europe recover from the serious effects of World War II—a very worthy motive—much of their industrial potential was greatly damaged by the ravages of war, but the index of production in

those countries is now far ahead of pre-war. In proof, I present the following figures taken from the tenth report to the Congress of the ECA page 7:

*Production in Atlantic Pact nations (using 1937 production levels as 100 percent)*

Belgium.....	115
Denmark.....	145
France.....	113
Greece.....	120
Italy.....	115
Netherlands.....	142
Norway.....	123
United Kingdom.....	142

Another factor which we should take into consideration is our heavy per capita debt load. Our per capita debt load—the responsibility of every man, woman, and child in this country for our Federal debt—is higher than that in any one of the Atlantic Pact nations. Then, too, we should consider our vast appropriations for defense. Within the last 10 days these appropriations have reached the staggering sum of \$56,000,000,000. We are told repeatedly these appropriations are necessary to protect not only our own country but the countries of Europe as well. Why should this not be considered a sufficient expenditure for foreign aid without increasing that amount by the billions provided in this bill.

In the 1951 budgets, the United States put up \$4 for every dollar spent on military expenditures by Europeans. In the 1952 budgets, the proportion is five American dollars for every dollar allocated to defense by all Atlantic Pact nations. In the name of reason how far must our generosity extend itself?

We have outstanding \$57,572,012,637 of E. F. & G. savings bonds which will have to be retired over the next 10 years. During the next 5 years \$34,088,362,845 of these bonds will fall due. Has any provision been made for the redemption of these bonds? I have heard of none. Will they be redeemed with printing-press money? Would it not be wiser to use the money we propose to appropriate for foreign aid for the redemption of these bonds and help preserve the integrity of our currency?

We can hardly expect the original purchasers of these bonds to continue to hold them. They paid \$75 for a hundred-dollar bond 10 years ago expecting to get \$100 worth of purchasing power today, and what are they getting? Forty-four dollars worth of purchasing power, instead of the one hundred they had expected. They have lost not only the interest; they have lost \$31 of the principal invested. That is how we have let down the workmen and women of this country who through patriotic motives invested their hard-earned money in our Government securities.

The end is not in sight if we continue our insane spending program. We can ill afford the expenditures for foreign aid proposed in this legislation which amount to \$7,848,750,000. We must begin to think of saving our own country before it is too late. A vote against this bill is a vote for the preservation of America—our liberties, our freedoms, our way

of life—yes, it is a vote to safeguard the whole world because if America goes down the world is lost with us.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. McVEY. I yield.

Mr. DONDERO. Apparently the gentleman thinks that the leadership of this Government and this Nation is more used to the free world as a solvent nation than as a bankrupt nation.

Mr. McVEY. That is exactly true, and I thank the gentleman for his contribution.

Mr. VORYS. Mr. Chairman, I yield 4 minutes to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. Mr. Chairman, the gentleman from Massachusetts has brought up a phase of argument that I am very glad he presented to us. A little earlier in the debate someone stated—I think it was the gentleman from Massachusetts [Mr. HERTER]—that the reason for the slowness of the military production program was an economic decision made here in America. The Defense Department no doubt has agreed to what might seem to you and me an unnecessarily prolonged supply program but it is apparent that our economic structure has been taken into account in the making of these decisions. I am very glad that the gentleman voiced the sentiment he has because he has been over there, and speaks with a background of first-hand information. I happen to know from some of the people who represent us in a number of the countries he visited that he did a very fine job in examining into the situations that presented themselves to him. I am very happy to say how much I personally appreciate the fact that this particular point of view has been brought out in today's debate.

My own feeling of the situation is that I believe General Eisenhower means what he says when he tells us that our troops are there only as long as the other troops are not equipped and ready to do the whole job.

Mr. RICHARDS. Mr. Chairman, I yield 2 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I should like to ask the chairman of the Committee on Foreign Affairs how much the committee went into the question of these countries that are to be helped giving us what we need for our national defense? I do not want to go into detail on the floor at this time, but I have had quite a discussion recently with certain of our manufacturers. I do not want to go into the rate of speed at which they are manufacturing, but there is some holdup in the manufacture of goods in this country for various reasons. I would like to ask the gentleman how deeply his committee went into this matter with other countries as to what they could give us in return for what we are doing for them, which is tremendous.

Mr. RICHARDS. May I say in answer to the gentlewoman's question that the committee was very much concerned

with getting strategic materials from these participating countries. A section was inserted in this bill setting aside some \$65,000,000, to be exact \$55,000,000 of the total over-all authorization for the development of strategic materials that were in short supply in this country. With reference to the general supply, we have other agencies that deal with the participating countries in regard to tariffs, trade and all that sort of thing. Outside of strategic materials I do not think the bill provides anything of the nature the gentlewoman mentions.

Mrs. ROGERS of Massachusetts. The committee did not go very deeply into that?

Mr. RICHARDS. Yes, we went deeply into production conditions in every country and what they could do in the matter of furnishing themselves with the materials that are needed in a program of this kind.

Mrs. ROGERS of Massachusetts. How about furnishing us material?

Mr. RICHARDS. In furnishing us with ordinary trade items, about the only thing we have along that line is section 603 in which it is stated:

In order to promote the increased production, in areas covered by this act, of materials in which the United States is deficient, there are hereby authorized to be appropriated to the President for the fiscal year 1952 not to exceed \$55,000,000 to be used pursuant to the authority contained in the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522).

Mrs. ROGERS of Massachusetts. The gentleman knows when I was a member of the Committee on Foreign Affairs I was a great believer in reciprocity, and I felt when we passed Lend-Lease that we should have secured more for America at that time.

Mr. RICHARDS. I remember very distinctly when the gentlewoman was one of the ablest members of our committee, and we hated to see her leave. I remember distinctly the fight that she made along this line and how she tried in every way she could to protect the manufacturers of this country.

Mrs. ROGERS of Massachusetts. I thank the gentleman. It was hard for me to leave the committee and I am sure I would like to have served under the fine and courteous gentleman as chairman.

Mr. RICHARDS. Mr. Chairman, I yield myself 2 minutes.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Michigan.

Mr. DONDERO. Included in the statement made by the gentlewoman from Massachusetts might be included this question: What is our present policy toward Spain, believing that Spain could be of some help to us in Europe?

Mr. RICHARDS. I do not know whether it has been raised here today, but it was raised in our committee on a great many occasions. All the military testimony we had was to the effect

that Spain, in connection with our national defense program and with this mutual security program, was needed in the picture. I want to say this, that while this bill does not specify certain countries that are to receive such-and-such amounts either for economic assistance or military assistance, there are funds provided in this bill that can be used for Spain.

Mr. DONDERO. I believe that Spain wants to be friendly to the United States.

Mr. RICHARDS. I agree, and I think we should meet Spain more than half way.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Ohio.

Mr. VORYS. I do not think it is any revelation of any executive session, we inquired whether the work of Admiral Sherman was lost when he died, and we were told that the work he had been engaged in would continue; is that not correct?

Mr. RICHARDS. I understand that that work will be continued. It should continue. We need Spain and Spain needs us.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

All time has expired.

Mr. DONDERO. Mr. Chairman, I move that the Committee do now rise.

Mr. RICHARDS. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. RICHARDS and Mr. DONDERO.

The Committee divided; and the tellers reported that there were—ayes 13, noes 73.

So the motion was rejected.

The Clerk read as follows:

*Be it enacted, etc., That this act may be cited as the "Mutual Security Act of 1951."*

SEC. 2. The Congress declares it to be the purpose of this act to maintain the security and to promote the foreign policy of the United States by authorizing military, economic, and technical assistance to friendly countries to strengthen the mutual security and individual and collective defenses of the free world, to develop their resources in the interest of their security and independence and the national interest of the United States and to facilitate the effective participation of those countries in the United Nations system for collective security. The purposes of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522), and the Act for International Development (22 U. S. C. 1557) shall hereafter be deemed to include this purpose.

#### TITLE I—EUROPE

SEC. 101. (a) In order to support the freedom of Europe through assistance which will further the carrying out of the plans for defense of the North Atlantic area, while at the same time maintaining the economic stability of the countries of the area so that they may meet their responsibilities for defense, and to further encourage the economic unification and the political federation of Europe, there are hereby authorized to be appropriated to the President for the fiscal year 1952 for carrying out the provisions and

accomplishing the policies and purpose of this act—

(1) not to exceed \$5,028,000,000 for assistance pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571-1604), for countries which are parties to the North Atlantic Treaty and for any country of Europe (other than a country covered by another title of this act), which the President determines to be of direct importance to the defense of the North Atlantic area and whose increased ability to defend itself the President determines is important to the preservation of the peace and security of the North Atlantic area and to the security of the United States. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Mutual Defense Assistance Act of 1949, as amended, through assistance to any of the countries covered by this paragraph are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this paragraph.

(2) not to exceed \$1,335,000,000 for assistance pursuant to the provisions of the Economic Cooperation Act of 1948, as amended (22 U. S. C. 1501-1522) (including assistance to further European military production), for any country of Europe covered by paragraph (1) of this subsection and for any other country covered by section 103 (a) of the said Economic Cooperation Act of 1948, as amended. In addition, unexpended balances of appropriations heretofore made for carrying out the purposes of the Economic Cooperation Act of 1948, as amended, are hereby authorized to be continued available through June 30, 1952, and to be consolidated with the appropriation authorized by this subsection: *Provided*, That not to exceed \$30,000,000 of the funds made available pursuant to this subsection may be utilized to effectuate the purposes of section 115 (e) of the Economic Cooperation Act of 1948, as amended.

(b) Not to exceed 5 percent of the total of the appropriations granted pursuant to this section may be transferred, when determined by the President to be necessary for the purposes of this act, between appropriations granted pursuant to either paragraph of subsection (a): *Provided*, That the amount herein authorized to be transferred shall be determined without reference to any balances of prior appropriations continued available pursuant to this section: *Provided further*, That, whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives.

Mr. FULTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULTON: On page 2, line 22, section 101 (a), subsection (1), strike out "\$5,028,000,000" and insert "\$4,828,000,000"; and in subsection (2) on page 3, line 16, strike out "\$1,335,000,000" and insert "\$1,035,000,000."

Mr. FULTON. Mr. Chairman, I would like to explain this amendment shortly to the House so that you will get the impact of the cuts of each of subsections (1) and (2).

Subsection (1) on page 2 of title I is the military assistance for Europe. In the bill at present the figure is \$5,028,000,000, as you will note in line 22. The figure in my amendment will reduce the \$5,028,000,000 by \$200,000,000, to \$4,828,000,000.

Then, if you turn to page 3 on line 16, you will see subsection 2, which refers to economic assistance under title I, which item now provides for \$1,335,000,000. The figure of my amendment would be \$1,035,000,000, thereby reducing it \$300,000,000.

The total effect of my amendment upon title I is a \$500,000,000 reduction. The question then comes up, where can that amount come out? My amendment leaves it pretty much up to the President to determine where the cut can best come, because if you will take subsection B on page 4, you will find that not to exceed 5 percent of the total appropriations granted in subsections (1) and (2) can be switched back and forth between the two subsections. If we take 5 percent of about \$5,000,000,000 in title I, for example, we arrive at a figure of \$250,000,000. So that right in our figure of the \$5,028,000,000 in the act as it now stands for military assistance for Europe, there is a possible transfer of a possible \$250,000,000 for economic assistance, moving that amount over to subsection 2 on page 3. Likewise in the \$1,335,000,000 item for economic assistance for Europe on page 3, the President, according to the terms of the bill, can take 5 percent out of that which would be about \$66,750,000, which he can transfer from economic assistance to military assistance in title I.

That provision gives a freedom of action and takes away the rigidity so that there is not the excuse that this is simply cutting the military aid by express legislative direction. The President can then look at the program and see where it is best to take the \$500,000,000 off, and do his cutting there. Because of this very good provision under section B on page 4, the 5-percent provision, we have a flexibility of handling which permits a good program to be worked out between military assistance and economic assistance under title I.

It also should be remembered that the economic assistance includes assistance to further military production. So that when we come to a definition, we find that there is a very fine dividing line between what is actually military assistance, and what becomes economic assistance under this legislation. For example, if we are giving the recipient countries machinery for fabricating the future plants for arms production, the query is: Is that military assistance or is that economic assistance? If the United States give these countries a machine which is a die, or a tool, grinder, or shaping machine, the question is: If it is used now to produce arms under this program, might this same item not likewise be general economic assistance to such country if it can be used later, after this program is completed in the contemplated 36 months?

In addition to that matter of flexibility and difficulty of definition, you will find there is an item under military assistance that is on page 65 of the report of the committee, table 12, illustrative breakdown of 1952 mutual security program, military assistance subsection (b), which shows \$53,000,000 in the present

bill for administrative expenses for the \$5,000,000,000 military-assistance item under title 1.

Under the same table 12, economic assistance under ECA act section (2), subsection (f), you will find there is an item of \$19,000,000 for administrative expenses also. So that if you go through the bill, you will find that there are many places where by good business methods there can be a further cutting down on overload and a cutting to the minimum of further indirect expenses.

By good purchasing and good planning and programing, our United States agencies can certainly come up with a program, which if it is called an austerity program, nevertheless, is a program which is calculated to do the job required if economy and business methods are employed. I believe \$200,000,000 reduction on \$5,000,000,000 military assistance, is a very slight reduction on the military assistance program. On the \$1,335,000,000 economic assistance, a \$300,000,000 reduction just means they will have to take a little bit more of this austerity program that our taxpayers in this country are having to take today. There is no doubt these countries have now completed their postwar recovery and have exceeded our hopes of success under the Marshall plan proposal. Many of them are spending much less in proportion of their total annual productions for defense than we are, and in some of the recipient countries, the tax and debt burden is now less proportionately than ours.

Mr. RICHARDS. Will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FULTON] has expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes to answer the gentleman's inquiry.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from South Carolina.

Mr. RICHARDS. As I understand the gentleman's amendment, it cuts \$200,000,000 from the military aid in title I, and also \$300,000,000 from the economic aid in title I.

Mr. FULTON. That is correct. \$500,000,000 is the total proposed cut in title I, of the amendment which I have introduced.

Mr. RICHARDS. This committee was in session about 6 weeks. We sat about 31 days and had 60 or 70 hearings. Did the gentleman at any time while this committee was meeting propose any such cut as this?

Mr. FULTON. The gentleman is right, I did not suggest this amendment during the hearings, but I was working on a cut just as the gentleman and others. I did not come up with this final figure until this afternoon, because I was spending 3 hours more this afternoon working on it. But I have had these

figures previously as to places where the cuts should be made and where they should not be made. For instance, on the \$2,658,000 for ocean freight, I do not think the House should make any cut there at all. But I might say this to the chairman, that I have heard, outside the committee walls, items of figures discussed. One thing that struck me very forcibly was a figure that one of the members came up with, and when asked where he got it he said, "I took that one right off the top of my head." If there is that much flexibility of figures in this program the question is one of policy rather than the particular percentage or exact rate of cut. I believe, as a matter of policy, that we could go a little further than the chairman of the committee has gone in making his own cuts on the military assistance in title I, and quite a bit further on the economic assistance in title I. I agree, in part, with the gentleman from Ohio [Mr. BROWN] who spoke of our building plants beyond a certain necessary norm of recovery, because we are then building plants for our competition. There are complaints, for example from Pennsylvania, of foreign companies, of recipient countries, laying down fabricated steel items in Central and South America cheaper than we can—not once, but consistently—when our own plants are completely tied up for the defense of Europe and when those countries have an excess capacity to export, even to the Soviet, perhaps we had better cut some of the money for assistance.

My proposed cut will not hurt the aim of the program, but it will certainly make it more economical and efficient.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. MANSFIELD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am opposed to the cut of \$200,000,000 in the military aid program under the Mutual Defense Assistance Act, and \$300,000,000 cut in the economic assistance for Europe as proposed by the gentleman from Pennsylvania [Mr. FULTON]. I think it is a little ironical that the gentleman from Pennsylvania [Mr. FULTON] did not see fit to bring up in the committee the proposal which he is now making to the membership of this body. Other members of the committee did bring up proposals to cut this amount, and those proposals were fully considered and the result is that we have before us a bill which the chairman of the committee, primarily, though the committee generally, is responsible for. I think that the distinguished and able chairman of our committee the gentleman from South Carolina [Mr. RICHARDS] has done an outstanding job. I think he has presented a bill to this House which is a committee bill and not a State Department bill or a bill from any other part of the executive branch of the Government. I think also, in considering this bill and this amendment, that we have to keep in mind the fact that Europe is in many respects the key point in the defense system of the world, because there you have,

especially in the Ruhr, the coal, the steel, the iron, and the industrial know-how which the USSR so greatly covets.

I would like to call to the attention of the committee a statement made by General Eisenhower. He stated to the group visiting Europe 2 months ago that in his opinion the atom bomb was not the greatest deterrent in holding back the Russians, but that the industrial capacity of the United States was. We have clear superiority, as far as our industrial output is concerned at the present time, especially so because of the fact that we are in mutuality, so to speak, with the industrial output of Western Europe. If we were to lose that output, it would mean in effect that the USSR would be on a practically equal footing with us. It would mean then that we would be in real danger. If we cut down this assistance which will help the industrial development of Western Europe, we are only weakening ourselves.

We must remember that the United States and Western Europe now have an annual production of steel and pig iron more than four times that of the Soviet world; together we produce three times as much coal and ten times as much petroleum. Move the resources of Western Europe to the Soviet side and the comparisons change drastically. I feel also that if we cut down the military aid, as proposed, that we will be doing the very thing we should not be doing and that is to bring into being a force not well enough equipped and not as able as it must be to defend itself in any struggle which might occur. We would also be diluting their potential strength and smashing their hopes for a more secure and peaceful future.

Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. I yield to my distinguished colleague.

Mr. HAYS of Arkansas. The gentleman recalls the emphasis which has been given to this problem by the gentleman from Massachusetts [Mr. HERTER], in which he has continually pleaded with us not to think in terms of money primarily but in terms of tanks, planes, bazookas, and specific items of war. That is correct, is it not?

Mr. MANSFIELD. That is correct.

Mr. HAYS of Arkansas. It is not the gentleman's opinion based upon the testimony before our committee that if the amendment prevails you are not reducing for you are forced to think in terms of the planes, tanks, and equipment that will move into the stepped up armaments need of Europe.

Mr. MANSFIELD. That is right.

Mr. HAYS of Arkansas. And that the figure here represents the very minimum in the calculations of General Eisenhower and others who have laid the plans for this program. Is that a fair statement?

Mr. MANSFIELD. That is a very fair and a very accurate statement. I may say also, and this is repetition—it is not a question of a limit of manpower in western European nations; they are willing to furnish the men; but what is the use of furnishing the men if you

do not give them something to fight with, if you do not give them something to train with? This money is necessary therefore because many of these items such as planes and tanks take a long time to manufacture and most of this hardware must, for the time being at least, be manufactured in this country for the military program in Western Europe. Arrangements are being made that certain items such as small arms and the like, and certain spare parts will be manufactured in Europe and will take their part in the program of preparedness now being undertaken under the North Atlantic Treaty and the Mutual Defense Assistance Program.

Mr. Chairman, I think it would be against the interest of the United States and our own security if we were to vote for this amendment.

Mr. HERTER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HERTER. In view of the fact that this amendment affects two different subsections, one dealing with military aid and the other with economic aid, can it not be separated and a separate vote be had on each part?

The CHAIRMAN. Yes, it can be separated.

Mr. HERTER. It can be divided. I thank the Chairman.

Mr. RICHARDS. Mr. Chairman, it is now 5 minutes after 5. I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5113) to maintain the security and promote the foreign policy and provide for the general welfare of the United States by furnishing assistance to friendly nations in the interest of international peace and security, had come to no resolution thereon.

#### DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES ACT OF 1951

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 349) to assist the provision of housing and community facilities and services required in connection with the national defense, insist on the House amendments thereto, agree to the conference asked by the Senate, and that conferees be appointed.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none and appoints the following conferees: MESSRS. SPENCE, BROWN of Georgia, PATMAN, RAINS, WOLCOTT, GAMBLE, and COLE of Kansas.

#### INTERIOR DEPARTMENT APPROPRIATION BILL, 1952

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. KIRWAN] may have until midnight tonight to file a conference report on the bill (H. R. 3790) making

appropriations for the Department of the Interior for the fiscal year 1952, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

#### LEGISLATIVE PROGRAM FOR TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, may I inquire of the majority leader as to the program for tomorrow?

Mr. McCORMACK. The first order of business will be a veto message, after which we will call up the conference report on the Labor-Federal Security appropriation bill and a conference report on the Department of the Interior appropriation bill. When those matters are disposed of there will be a continuation of the consideration of this bill which will continue through Friday and Saturday until disposed of. If the bill is acted on tomorrow, of course we will go over until Monday.

Mr. CURTIS of Nebraska. What is the program for next week?

Mr. McCORMACK. That will be announced tomorrow. It is not because I do not want to answer the question, I want that in the RECORD, but neither the majority whip nor myself are prepared to make the announcement.

#### CREATION OF A SELECT COMMITTEE

Mr. SMITH of Virginia, from the Committee on Rules, reported the following privileged resolution (H. Res. 390, Rept. No. 885), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That there is hereby created a select committee to be composed of seven Members of the House of Representatives, appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the same manner in which the original appointment was made.

The committee is authorized and directed to conduct a full and complete investigation and study of the facts, evidence, and extenuating circumstances both before and after the massacre of thousands of Polish officers buried in a mass grave in the Katyn Forest on the banks of the Dnieper in the vicinity of Smolensk, which was then a Nazi occupied territory formerly having been occupied and under the control of the Union of Soviet Socialist Republics.

Upon completing the necessary hearings, the committee shall report to the House of Representatives (or the Clerk of the House, if the House is not in session) before the adjournment of the Eighty-second Congress the results of its investigation and its study, together with any recommendations which the committee shall deem advisable.

For the purpose of carrying out this resolution the committee, or any subcommittee thereof is authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold hearings, and to require, by subpoena or otherwise, the attendance

and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

#### WILCOX ELECTRIC CO., INC.

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1912) for the relief of the Wilcox Electric Co., Inc., with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 6, after "\$104,121.52", insert "less appropriate tax adjustments to the extent that the said company has benefited from this loss in computing its Federal excess profits tax and income tax liability for any year."

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. KEATING. Mr. Speaker, reserving the right to object, do I understand from the chairman of the subcommittee that the only change in this bill made by the Senate is to make the amount in the bill subject to Federal taxes?

Mr. BYRNE of New York. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

#### DEPARTMENT OF AGRICULTURE APPROPRIATION BILL

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the bill (H. R. 3973) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1952, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. VAIL] is recognized for 30 minutes.

#### AMERICAN PRESS

Mr. VAIL. Mr. Speaker, on February 8, 1951, I introduced H. R. 2516, a bill to exclude from the provisions of the National Labor Relations Act any labor organization whose membership includes certain employees of newspapers and periodicals, which is affiliated with a national labor organization.

The measure was intended to provide a cause for liquidation of the existing relationship between the American Newspaper Guild and the Congress of Industrial Organizations, representing a most vicious alliance and one sharply opposed to sound public policy—shock-

ing in its implications and constituting a threat of tremendous import in its potential effect upon our national security.

Undeniably the past score of years have wrought sweeping changes in our cherished American way of life, but no change we have witnessed is fraught with greater danger—no change represents a greater potential for evil—than the bold and thus far partially successful effort of the CIO radicals to control the press of the country through its affiliate, the American Newspaper Guild, CIO.

Even the most unenlightened can readily grasp the significance of control of the press by domination under union rules of its reportorial and editorial staffs by an organization such as the CIO, which departs as far from American principles of equity and justice in its program for industrial and political demoralization as would a raiding group from Mars or Moscow.

The recognized power of the press imposes an obligation upon every American to analyze, appraise, and cooperate to defeat any attempt to control and direct news content by vicious interests. It imposes upon the Congress an obligation to closely observe and to curb, through legislation, activities endangering the freedom of the press or the interest of the American public in honest news presentation. That obligation, the legislation I propose seeks to discharge. Through ANG-CIO affiliation and its implied fusion of interests and sympathies, substantiated by the record, self-seeking, irresponsible newsmen, disdainful of national welfare, contemptuous of the fundamental obligation of their profession to avoid influencing entanglements, subordinating traditional ethics to doubtful personal gains, have delivered themselves and their talents and have provided a tremendously powerful weapon to the Socialist-Communist infiltrated CIO, whose warped ideals and goon tactics have been well evidenced over the years since the organization was founded under the sponsorship of the New Deal administration.

The relationship between the ANG and the CIO has been slyly and effectively maneuvered over the 15 years of its existence and meager information concerning the encroachment of the vicious combination upon the newspaper field has appeared in the press for reasons that may be easily understood since an aroused public would demand speedy dissolution. I venture to say that few Americans are aware that the news items, the editorials, or the columns they read in their favorite newspaper may have been written by members of the CIO or that the content of what they read may have been directed by CIO master minds in the upper echelon of the national organization, who are keenly cognizant of the value of favorable publicity and who hold an economic whip hand over its guild affiliates, since cancelation of membership for disobedience would deprive guildsmen of employment on the 60 percent of American newspapers that are now claimed to be operating under CIO guild contracts.

To sound Americans, the voluntary action of a trusted and important ele-

ment of society in providing so effective a club to insure submission to CIO domination of the American press is beyond comprehension. It is almost unbelievable that so brazen a conspiracy to direct public opinion and control vehicles of public information could be conceived in the minds of so vital a segment of our American citizenry until the identity of the characters initiating the movement is revealed, providing the key to understanding. Leadership of the guild, founded in 1933, was originally undertaken by the radical columnist, Heywood Broun, according to sworn testimony, in 1933, a member of the Communist Party—volume 7, page 4713; volume 9, page 5461, Committee on Un-American Activities Hearings—and later a member of the executive board of the CIO, and associated with him in his organizational activities were Morris Ernst; Ben Gitlow, former secretary general of the Communist Party; Joseph Zack, former national trade-union secretary of the Communist Party; Morris Malkin; Morris Watson; Jack Stachel; Jonathan Eddy, and Carl Randau, all Communists or followers of the party line. By what stretch of the imagination can it be conceived that this gentry bent effort to a program dedicated purely and solely to the interest of the newspaper profession? Yet, notwithstanding such highly questionable sponsorship, weak-kneed renegades from the traditional ethics and objectivity of the fourth estate lost no time in boarding the Red bandwagon.

According to their own statement, the ANG-CIO now comprises 25,000 newspaper men and women, with locals in 100 cities of the United States, reporting and editing for 177 daily and Sunday newspapers and 45 news magazines and other publications and embracing radio commentators, as well, and the same statement proclaims as one of its major objectives, "to carry on the struggle for free trade-unionism as the most effective weapon for democracy throughout the world." It should be carefully noted that the interests of this so-called American newsmen's labor organization, presumably established to promote the welfare of its own specific American craft, clearly are not confined to the boundaries of the United States but are worldwide in scope, and it is also a significant fact that they have consistently refused to oust known Communists from membership. This unsavory alliance of newswriters operating a Political Action Committee of their own with a national labor organization, also operating a Political Action Committee, which chose as its chief counsel, Lee Pressman, an admitted Communist, and which is itself an explosive container of Socialist and Communist doctrines, is a self-evident menace not only to freedom of the press but to national security that cannot be ignored. Undeniably the association connotes a community of thought and action that is decidedly opposed to sound public policy, since press and radio are the prime agencies for molding public opinion and I submit that the principle involved in the relationship, its current and past conspiratorial activity and its potentialities, rep-

resents a fruitful field for congressional investigation.

Section 17 of article VII, local guilds, in the Manual of the American Newspaper Guild, reads as follows:

Locals shall do all in their power to strengthen the labor movement in their respective areas.

Can we be so naive that we cannot interpret that article to mean that guild members are policy-bound to extend favorable press consideration to CIO interests and that CIO interests and that CIO-recommended political candidates, committed to CIO aims, would be accorded press support or tempered treatment?

If proof is needed, reference is made to the resolution adopted at the guild annual convention in 1944 calling for all-out cooperation with the CIO Political Action Committee. That resolution still represents ANG policy in the absence of subsequent withdrawal.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. VAIL. I yield.

Mr. DONDERO. I noticed that the gentleman mentions the name of Joseph Zack. I happen to know him. I know his background. The gentleman has stated that correctly. But he has done everything within his power to assist us and assist our Government to turn the spotlight on and expose communism.

Mr. VAIL. I am happy to know that.

Mr. DONDERO. I know he has been before the Committee on Un-American Activities and has rendered fine service to our country.

Mr. VAIL. I am happy to know that. I thank the gentleman.

In this presentation I shall trace sketchily the connection from the inception of the CIO Political Action Committee to the present, citing facts that will establish beyond question the appalling potential, in opposition to the public interest, of the close working agreement between the ANG and the CIO and their respective Political Action Committees.

Quoting from the report of the Committee on Un-American Activities, House Report No. 1311:

The origin of the idea of the CIO Political Action Committee is of real importance. That origin was definitely with the Communist Party and some of its leaders. Communist Party publications, such as the New Masses and the Daily Worker, bore down heavily upon the need for an organization like the CIO Political Action Committee in the weeks preceding the formation of Hillman's committee. The record shows beyond possibility of any dispute that well-known Communists immediately assumed important roles in the regional, State and local activities of the CIO Political Action Committee.

Having already captured the leading positions in so many of the CIO industrial councils, the Communists have a ready made machinery for carrying out their political objectives. What was hitherto simply the local branch of the Communist Party now becomes, with the transformation of the party into an educational association, the local CIO Political Action Committee. In other words, the "comrades" preside one night over the CIO Industrial Union Council and the next night the same "comrades"

preside over the CIO Political Action Committee.

One of the methods by which the CIO Political Action Committee is at present carrying out its attack upon the Congress of the United States is the use of a chart which shows how the Members of the House of Representatives have voted on 20 measures. Members of Congress expect to be judged on their voting records but the important fact about the voting chart which is now in use by the CIO Political Action Committee is that it is the identical chart used by the Communist Party for the same purpose. In other words, the political views and philosophy of the Communist Party and the CIO Political Action Committee correspond in every detail.

With respect to my own district, the second of Illinois, the report states:

Herbert March is chairman of the arrangements committee and sponsors of the Hyde Park (Ill.) Joint Political Action Conference, the local organization of the CIO Political Action Committee. March is president of the Chicago Industrial Union Council, the Chicago organization in which all the locals of the CIO unions in the city and vicinity are federated. March is, in effect, the Chicago leader of the CIO Political Action Committee. In 1938, he was chairman of the CIO organizing committee in Armour Packing Co., and in 1939 he was district director of the Packinghouse Workers Organizing Committee. At the 1943 annual convention of the CIO, March was a delegate from the United Packing House Workers of America, of which union he is now a district organizer. From his trade-union record which we have cited, it is clear that Herbert March holds a high place in the affairs of the CIO.

Herbert March is a Communist. Not one of the secret variety, but one who has openly paraded his allegiance to the doctrines of Lenin and the destruction of American free institutions. March was formerly district organizer for the Young Communist League.

Herbert March's union, the United Packing House Workers of America, is dominated by Communist leadership. It is also one of the CIO unions which is most zealously contributing its resources to Sidney Hillman's CIO Political Action Committee.

In 1945 March was one of the instructors of a class on legislative program of organized labor, given at the Communist Abraham Lincoln School, 30 West Washington Street, Chicago. The Abraham Lincoln School was the successor of the Communist Workers School, formerly located at 64 West Randolph Street, Chicago.

Bringing the record up to date, March within the past few days has been the central figure in the controversy between the Red contingent and the anti-Communist group in the Packinghouse Workers Union in Minneapolis. The Reds tried to suspend the anti-Communists but finally agreed on a compromise that held in abeyance the suspension. There is little question but that the affairs of the union are controlled by the Communist faction under the general direction of Herbert March.

To such an organization the American Newspaper Guild has dedicated its sympathies and support. Does the American public need more evidence to rouse itself from its lethargy and to demand that vehicles of public information be cleansed of cancerous conditions? If more evidence is required, there is plenty available. The claim will be made that the Communist tinge has been eradicated from the CIO and it is true that Bridges' ILWU and the UEW have been ousted,

but these unions are blatantly communistic and separation was necessitated by public opinion and represented a "window-dressing" gesture. Communist influence continues quietly but forcefully in the CIO and it is the quiet element that is most effective and the cause for most concern. This point was stressed by J. Edgar Hoover on August 11, 1950, when he said:

I would never fear communism in America if all Communists were out in the open, peddling their wares in the market place of free speech and thought. But they are not. We cannot meet them on an even basis. They are working behind the masquerade of hypocrisy.

Quoting further from the committee's report:

The official program of the Communist International, which William Z. Foster, head of the American Communist Party, testified before the committee that he accepted, has the following to say about the place of trade unions in Communist objectives: It is particularly important for the purpose of winning over the majority of the proletariat, to gain control of the trade unions, which are genuine mass-working-class organizations, closely bound up with the every-day struggles of the working class. To work in reactionary trade unions and to skillfully obtain control of them, to win the confidence of the broad masses of the industrially organized workers and "remove from their posts" the reformist leaders, represent important tasks in the preparatory period.

On January 14-15, 1944, the CIO Political Action Committee held a conference in the Park Central Hotel in New York City. The predominance of Communists on the program of this conference provides a true index of the extent to which Communists have infiltrated the CIO and have also been accorded places on the CIO political action committee. The following Communists participated as speakers in that conference: Donald Henderson, Reid Robinson, Julius Em-spak, Grant W. Oakes, Michael J. Quill, Joseph Curran, Lewis Merrill, Ruth Young and Ferdinand C. Smith. If an organization that features such characters and their like as its leaders should, through the negligence of the American electorate, ever achieve political power in the United States, there would be an end to the American form of government as we have known it from the beginning of our Republic.

Note the preceding reference to Michael J. Quill. This self-same individual, according to press dispatches of August 2, 1951, is busily engaged in organizing the New York Police force as a component of his CIO Transport Workers Union. Some 4,500 of New York's "finest" have already been signed up. A charter will be issued following a TWU executive board meeting early next week.

This is only a start—

Newsmen were told.

Before long Mike Quill and the new local will be able to speak for the entire police force.

It is hoped that this challenge to the security of America's metropolis will be met by an outraged public in the forthright manner it deserves. It is unthinkable that supercontrol over the safety and security of the citizens of New York City should be placed in such dangerous hands by the acquiescence and cooperation of the police force. Their treachery

to the public they are sworn to protect must be thwarted decisively to prevent national CIO capture of local guardians of the law.

This is the same Mike Quill who escaped subpoena service I ordered when investigating communism in the CIO Transport Workers Union in Miami in 1948 at the request of Miami civic groups. He had used his influence with the union, which was later proven to be Communist-officered, to restore the Communist Charles Smolikoff, alias Charles Doraine, to his post as regional director from which he was ousted by membership vote because of Communist Party affiliation.

The alliance under CIO and CIO Political Action Committee domination of newsmen, transportation workers, and police presents to the largest city in America a grave situation and one demanding the most careful investigation and the speedy application of corrective measures.

It is reliably reported that the New York, Detroit, and Los Angeles guilds have been Communist controlled and they are still Communist infiltrated. In 1945 the New York local of the ANG joined with other organizations, for the most part Communist front, in demanding abolition of the Committee on Un-American Activities. In 1949, Detroit Police Commissioner Harry S. Toy, observing subversive reportorial activities, ruled that newsmen seeking unrestricted police and fire press cards would be required to take a loyalty oath as a security measure, thereby drawing the sharp criticism of the guild. In 1950, the Detroit guild unanimously adopted a resolution condemning a Detroit police order to remove the inflammatory Daily Worker and the Michigan edition of the Worker from their stands or face closing down. Quoting from the testimony of Sgt. Harry Mikuliac, Detroit police department:

Laurence Emerg, a Daily Worker correspondent for the State of Michigan and a man who served time in San Quentin for criminal syndicalism, served as a member of the executive board of ANG.

John P. Frey, A. F. of L. official, testified before the Committee on Un-American Activities:

Among other CIO leaders and organizers in St. Louis who are affiliated with the Communist Party is John W. Klyman, vice president of the Newspaper Guild.

In 1948 the Los Angeles guild unanimously passed a resolution condemning the Mundt-Nixon subversive activities control bill. The New York guild called on Congressmen to oppose the measure, in the framing of which I participated, as a member of the Subcommittee on Legislation of the Committee on Un-American Activities.

Quoting from documentation and comment on left wing bias in the AP report, Charles A. Hazen, of the Shreveport Times, said:

It could have been bias induced by the newspaper guild, with which many AP employees are affiliated. The guild is part of the CIO, which is strongly pro-Truman and has its own policies on many issues of the day. In respect to the McCarthy charges, the guild president said at the recent an-

nual convention that they were a "campaign of character assassination."

At an annual guild convention delegates adopted a resolution pledging support to Communist Harry Bridges, president of the Communist International Longshoremen's and Warehousemen's Union, at that time affiliated with the CIO, who was then under investigation and in danger of deportation.

Quoting from the testimony of Kenneth Goff before the Committee on Un-American Activities:

Well, in Wisconsin, the Communists control considerable labor groups, especially in the CIO. Take, for instance, Amos Castello; he was a member of the State board of the Communist Party and one of the leading men in the CIO there. Up until about a month ago he was the State president of the CIO; but they withdrew in the election this time to bring about a unity; but, in withdrawing, they put in a man whom they control, this Gunnel Michaelson, who was formerly a big Communist but who never attends a Communist meeting since he has been with the CIO, but his wife always attends the Communist meetings, and he has worked with me in many campaigns.

Mr. MATTHEWS. To what union did Mr. Michaelson belong?

Mr. GOFF. Mr. Michaelson was formerly with the Newspaper Guild. Now he is State secretary of the CIO.

Quoting excerpts from Westbrook Pegler June 19, 1940:

The New York Guild, which promotes the Communist Party line at the expense of American newspaper workers in New York and other cities. \* \* \* The Stalinist Guild of Los Angeles supporting their comrades in New York. \* \* \* The Los Angeles Guild is notoriously communistic. \* \* \* The Guild Reporter (official organ of the guild) which has been consistently and abusively communistic. \* \* \* Moscow still runs the Newspaper Guild.

The national convention of the American Newspaper Guild, held at San Francisco July 3, 1948, condemned dismissal of reporter Thomas G. Buchanan by the Washington Star after he admitted he was a Communist. By a vote of 273 to 18½ the convention voted against a minority report that would have upheld his discharge.

Sam Eubanks, executive vice president of the CIO Newspaper Guild, is pictured in the CIO News, August 13, 1951, in the act of soliciting support from Leland Beard, first vice president of the CIO Glass Workers, for a proposed National Labor Daily. Here is depicted unmistakably the guild interest in promotion of CIO objectives.

Even the youth of the country does not escape the thorough and skillful propaganda program of ANG-CIO. The guild follows approved radical lines in reaching out into schools and colleges to admit to associate membership undergraduates pursuing journalistic courses in order to insure early indoctrination of students with guild-CIO theories.

In all cities where the guild has secured a foothold the radical influence is apparent in the news content. The Reds well know the strategic importance of controlling means of communication, hence their amazingly bold effort to subjugate press, radio, and the films. Harper L. Knowles, chairman of the radical re-

search committee of the American Legion, Department of California, stated in his testimony before the Committee on Un-American Activities:

It was the intention of the Communist Party, following a policy formulated by the Communist District Bureau, to increase the membership of the Newspaper Guild and establish nuclei in the various newspapers so that they could control the presentation of news at the time of calling a general Nation-wide strike.

That the CIO intends in no uncertain fashion to realize upon the connection is clearly borne out by the statement of James C. Quinn, secretary of the Cleveland Industrial Union Council, an organization of local CIO unions, in a speech in Cleveland on October 11, 1950, during which he said:

Someday we will be able to tell the papers what to print and what not to print.

Obviously, Quinn was aware of the stranglehold the ANG-CIO was gradually securing upon our American press and he knew well the use to which power, when fully developed, would be directed.

Municipal, State, or Federal employees are not permitted to strike on the sound principle of protection of the public interest. Is it not equally discernible that national chaos could result from a sudden Nation-wide, public information strike ordered by the CIO?

The traditional ethics of the profession would have once constituted assurance of independent reportorial thought and action but the term and its implications so far as guild membership is concerned were discarded with the sell-out of guildsmen to the CIO. Guild membership will naturally deny that objectivity has been or will be affected through the association but it no longer requires close observation to note its influence.

Well do I know that guild protagonists will beat their breasts and cry out through their columns, if they dare attract public attention to their degradation, that legislation I have already proposed in H. R. 2516 will take from them their constitutional rights—privileges granted under the law to other labor groups of collective bargaining under the pressure potential of the master organization. They will point to shorter hours and higher pay and improved conditions over the 15 years of ANG-CIO affiliation, but similar benefits have accrued to American workers in all fields of endeavor and consistent progress was made in that direction before the advent of the New Deal or the creation of the CIO.

However, that is not the point in this discussion. The point I want to stress is the complete lack of regard inherent in the association for the interests of the news-reading public and the long-range welfare of the country.

I contend that the very nature of the reportorial function, both press and radio, must of necessity deny to newsmen any type of association that would represent an influence affecting their product. The reporting of news without bias is a fundamental obligation of press and radio, and departure from that principle is an infringement upon the rights of the public and a threat to national wel-

fare, since conclusions reached by the public are premised, in major part, upon information supplied by those agencies.

Under date of June 27, 1951, I received the following communication from the Chicago Newspaper Guild, in which they outlined their endorsement of controls and roll-backs—reflecting CIO policy—and urged my support:

At our Chicago Newspaper Guild meeting the other evening, we devoted some time to a discussion of the problems of price control, inflation, and the Defense Production Act.

As working newspaper men and women on the wire services, the daily press and community papers, we are in a special position to appreciate the effects of inflation upon the consumer pocketbook.

It is our considered judgment that there is no other immediate way to stave off further inflation unless Congress gives adequate authority to Mr. Wilson, Mr. DiSalle, and Mr. Johnston to impose wage, price, and credit ceilings to haul prices down to a normal level.

We are therefore urging you to do everything you can to secure such authority and controls as quickly as possible.

It is reasonably safe to assume that the above was inspired by the parent organization, the CIO, which utilized the power and influence of its affiliate to further its aims. In the light of their advocacy of a legislative program it is my opinion that the membership of the guild has established beyond question its inability to report objectively and I further believe that noncompliance on the part of a legislator would be followed by an adverse press.

I contend that the identity of the individuals named herein as responsible for the founding and development of the ANG-CIO alliance establishes beyond a shred of doubt its leftist character and permits accurate appraisal of its purpose. I congratulate those who have voluntarily resigned and I recommend to the favorable consideration of current membership the statement of Joseph F. Dinneen who in withdrawing said:

The guild cannot influence, either directly or indirectly, what I think, what I write, how I vote or how I cover a strike. It cannot bind me to labor's nonpartisan league or commit me to any political party; and there are thousands of newspapermen who feel as I do. And so, Mr. President, international vice presidents, members of the international executive board, distinguished guests, ladies and gentlemen, I resign.

Because of the fact that I do not believe that any proper interest of the newspaper profession is served by association with the CIO and because I believe the public interest is endangered thereby I introduced H. R. 2516. I am today introducing another resolution representing another approach that will serve the vital purpose of informing the public of author affiliation to permit correct appraisal of news content. Under this resolution, publishers would be required to insert the abbreviation ANG-CIO under the caption and above each article, editorial, column, or commentary written by a member of the ANG-CIO. Publishers would also be required to indicate in the left corner of the masthead the following: The abbreviation ANG-CIO prefacing news content indicates that the

author thereof is a member of the American Newspaper Guild-CIO.

To this insurance against insidious propaganda the American public is justly entitled.

The best plan, of course, would be to legislate to end the affiliation and the coalition of interest inherent therein. Whatever method is adopted, the crusade for the preservation of the traditional honor of the press must be prosecuted to successful conclusion to insure that our heritage of liberty descend unrestricted to future generations.

#### SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

(Mrs. ROGERS of Massachusetts asked and was given permission to revise and extend her remarks and to include as a part thereof a letter from an arm amputee regarding the fact that the Senate did not include them in their bill and that the House in its wisdom struck out all after the enacting clause and inserted the House bill which included the arm amputees; also a letter from Col. George Ijams, former Deputy Administrator of the Veterans' Administration; also some letters from AMVETS regarding the veto of H. R. 3193 which comes up the first thing tomorrow; also resolutions and petitions to the President of the United States.)

#### VETERANS' LEGISLATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, regarding H. R. 3193, I would like to point out that I think the President was under a false impression when he vetoed the measure, because the men affected are either helpless or blind, or so nearly so that they require the aid of another person. Also, Mr. Speaker, there was an income limitation of \$1,000 or \$2,500 if there were dependents. If these men do not get help, they will be on relief. There is something very obnoxious and abhorrent to the American people to have a very badly disabled veteran on relief.

#### CONSOLIDATION OF VETERANS' ADMINISTRATION DISTRICT OFFICES

Mr. Speaker, I am very deeply concerned over the attitude of the Veterans' Administration in connection with the removal of district offices. The President told me the matter was not closed regarding the consolidation of these offices, a matter which would cause so much hardship both to the beneficiaries of death claims and insurance, and the workers in these offices themselves. The President told me the matter was not closed; that was a week ago Monday. Only the middle of last week Major Clark told me that no people would be dismissed in the Boston office before the matter was settled.

A telegram I received from Richard Abrams says "Original date for Boston transfer was February 1952. Two weeks ago date stepped up to November 1951. Latest order is for September 10."

I made an appointment with General Gray for the Members of Congress who are protesting this removal for September 14. It seems that the Veterans' Ad-

ministration is deliberately disobeying all suggestions from everybody, including the Members of both Houses, who are fighting very vigorously to have these offices remain where they are. Yet they are going ahead with their plans. The General Services Administration wants the Atwater Kent Building for the Frankfurt Arsenal in Philadelphia. The Veterans' Administration, although created to help the veterans, is not a cooperative department. There are some employees, fortunately, who are very cooperative and helpful, but by and large it is a very uncooperative department.

Mr. Speaker, I was told just awhile ago by a very prominent Veterans' Administration official that by reason of these offices being closed and the orders which are being sent out regarding the dismissal of this personnel the people in these district offices are so frightened that they will lose their jobs that they are leaving the Administration or signing up to go to Philadelphia. There is something that seems very bad and very tricky about the whole thing, and it should be stopped.

#### AMVETS,

Washington, D. C., August 15, 1951.

HON. EDITH NOURSE ROGERS,  
United States Representative,  
House of Representatives,  
Washington, D. C.

DEAR MRS. ROGERS: AMVETS (American Veterans of World War II) urge the Congress to pass H. R. 3193 over the President's veto. The bill would increase pension to certain disabled veterans. All of these men are either helpless or blind or so nearly so that they require the aid of another person.

AMVETS are of the belief that the veterans covered by this bill are by far the most meritorious of the non-service-connected disability class. The suggestion that they should be provided for in other than veterans' legislation is unrealistic when such suggested legislation is not forthcoming. The suggestion that these veterans are dipping their hands in the public till is also unwarranted since a definite income limitation is placed upon them—veterans covered by this bill cannot have more than \$1,000 annual income, if single, or \$2,500, if with dependents, in order to get the benefits of this proposal.

To deny this increase to these disabled veterans to meet the admitted increase in the cost of living, solely on the wild estimate that this proposal will cost the American taxpayer \$400,000,000 per year by the end of the century, is—we submit—to deny public responsibility to these disabled veterans who served their country in time of war and now are so incapacitated that they require the aid of another person.

AMVETS urge you to vote for H. R. 3193 over the President's veto.

Very respectfully yours,

CHARLES H. SLAYMAN, JR.,  
National Legislative Director.

VETERANS OF FOREIGN  
WARS OF THE UNITED STATES,  
NATIONAL LEGISLATIVE SERVICE,  
Washington, D. C., August 15, 1951.

A PLEA FOR SUPPORT OF THE RECOMMENDATION OF THE HOUSE COMMITTEE ON VETERANS' AFFAIRS TO OVERRIDE THE VETO OF H. R. 3193

DEAR CONGRESSMAN: You are respectfully urged, in the name of common decency and justice, to support the recommendation of the House Committee on Veterans Affairs that the House of Representatives override the Presidential veto which was applied to H. R. 3193, a bill to authorize an extra pension

allowance for those World War I and II veterans who are so helpless or blind as to need constant aid and attendance and who can otherwise meet the rigid eligibility requirements to receive a non-service-connected disability pension. It is understood this bill, with the report of the House Veterans' Committee, will be brought up for action on Friday, August 17, 1951.

The President, in vetoing this bill, outlined three principal objections. First, the question of cost—present and future; second, that the disabilities for which the veteran would receive the extra pension allowance are not directly related to active service; and, third, that the bill would create a further spread between the treatment of veterans and nonveterans by the Federal Government. In essence, the President indicates that he is opposed to the payment of non-service-connected pensions to veterans and that there should be no distinction between the treatment accorded veterans and nonveterans by the Federal Government. What are the facts?

1. Costs: According to the veto message the President has estimated that the first year's cost of this bill would be approximately \$18,700,000 and that a projection of the cost, on the basis of experience under similar pension legislation for Spanish-American War veterans, would approach \$400,000,000 a year by the end of the century. The Veterans of Foreign Wars vigorously takes issue with the accuracy of this cost estimate. In the first place it is impossible to accurately project the cost of this bill on the basis of Spanish-American War veterans' experience because the eligibility requirements for the Spanish-American War veterans are more liberal than the eligibility requirements for World War I and II veterans. A Spanish-American War veteran needs only to establish proof that he is so helpless or blind as to require aid and attendance, regardless of misconduct or income. The World War I and II veteran, in addition to establishing proof that he is so helpless or blind as to need aid and attendance, also must show that his disabilities are not the result of misconduct and that he does not have an income in excess of \$1,000 per year if no dependents or \$2,500 per year with dependents. It should be pointed out that the income limitation, along with the growth and extension of social security plus growing industrial pension systems, will serve to keep the number of World War I and II veterans eligible for this pension to the barest minimum.

The present average age of Spanish-American War veterans is 73 years plus. Only 8 percent of all Spanish-American War veterans now receiving age and disability service pensions are receiving the special allowance for the helpless or blind. Taking into consideration the income limitation affecting World War I and II veterans, is it not reasonable to believe that the percentage of said veterans eligible to receive this special allowance will be considerably less than the Spanish-American War veterans? Using the Spanish-American War experience and not taking into consideration the income limitation which applies in one case and does not apply in the other case, the Veterans of Foreign Wars has generously estimated that not more than 20,000 World War I and II veterans would be eligible to receive this special pension allowance the first year at a total cost of approximately \$13,680,000. This is substantially less than the President estimated, using somewhat the same formula. It is our considered judgment that the President's projected estimates of costs did not take into consideration the stern requirements and income limitations which will strongly affect World War I and II eligibility to this particular pension.

In speaking of the costs of this special pension allowance it could well be pointed

out that 1 week's cost of the current Marshall-aid program (not including military assistance) for Europe would pay this pension cost for a period of 4 years, and that the appropriation which the President is now asking from Congress for 1 year's military and rehabilitation aid for Europe would more than pay the total cost of this pension increase throughout the entire life span of all World War I and II veterans, assuming that the pension legislation remained in effect for that period of time.

2. Pensions for disabilities not related to service: Pensions for aged and helpless veterans have been a tradition and policy in the United States beginning with the early Plymouth Colony. Special pension allowances for helpless or blind veterans were first authorized for Civil War veterans and later extended to Spanish-American War veterans. On July 30, 1947, President Truman approved Public Law 270, Eightieth Congress, which increased the special pension for helpless or blind Spanish-American War veterans from \$100 to \$120 monthly. H. R. 3193, which was vetoed, is not something new or a departure from the traditional policy of the United States. If these helpless or blind World War I and II veterans are not worthy and deserving of the \$120 monthly pensions because their disabilities are not directly related to their service, are they deserving and worthy of the present \$60 or \$72 monthly pension which they are now receiving under the same circumstances?

3. Discrimination between veterans and nonveterans: If there should be no discrimination between the treatment and care of veterans and nonveterans by the Federal Government, should there be discrimination between servicemen and civilians in time of war or national emergencies? Should the civilians or nonveterans be subjected to the same rates of pay, the same discipline, the same punishment, and the same loss of personal freedom and independent action as apply to servicemen who later become veterans? The whole theory of special assistance to aged and disabled veterans is based upon the measure of sacrifice, economic dislocation, and loss of personal freedom which applies to members of the Armed Forces on active duty in time of war or national emergencies. Please vote to override.

Respectfully yours,

OMAR B. KETCHUM,

Director, National Legislative Service, VFW.

SHELBYVILLE, TENN., August 14, 1951.

Hon. EDITH NOURSE ROGERS,  
House of Representatives,  
Washington, D. C.

DEAR MRS. ROGERS: As an arm-amputee veteran of World War II, I was very much disappointed to learn of the passage by the Senate of S. 1864 in lieu of H. R. 4233, which would have granted an automobile allowance to those seriously disabled veterans not now eligible for it.

First through congressional inaction and then Presidential veto, this particular form of rehabilitation aid has been refused arm-amputees and blind veterans, although it would seem that such severely handicapped persons are as much entitled as any other to the benefit of a private automobile so as to obviate the difficulties occasioned by constant use of crowded public conveyances in carrying on normal business and everyday affairs.

Realizing and appreciating the effort you have made over the past 5 years to secure the automobile allowance for those previously denied it, I urge you most earnestly to exert every effort to amend S. 1864 so as to include in its provisions not only World War II arm-amputee and blind veterans, but also similarly situated victims of the Korean fighting, whose case is equally meritorious.

Sincerely yours,

ERNEST F. LANGHOLZ.

PETITION TO THE PRESIDENT OF THE UNITED STATES WITH REFERENCE TO THE PROPOSED CONSOLIDATION OF CERTAIN VETERANS' ADMINISTRATION ACTIVITIES IN THE PHILADELPHIA OFFICE OF THE VETERANS' ADMINISTRATION

Whereas the Administrator of Veterans' Affairs has recently announced plans for the abolition of the Boston, New York, and Richmond offices of the Veterans' Administration and for the consolidation of the Veterans' Administration insurance and death-claims activities heretofore administered by such district offices in a single Veterans' Administration district office in Philadelphia; and

Whereas such consolidation would have a serious adverse economic effect upon the New England States, which, according to statistics presented by the President's Council of Economic Advisors, are already being drained of industry and population, and upon the New York and Richmond areas; and

Whereas the present system is being efficiently and humanely administered, while the proposed consolidation would result in inefficiency and in hardship to the beneficiaries and employees of the Veterans' Administration, and their dependents, who live in New England, New York, and Virginia; and

Whereas the expense which will be incurred in moving the Veterans' Administration facilities now located in Boston, New York, and Richmond, and the continuing confusion which will result therefrom, will more than counteract any economies produced by the consolidation of such facilities; and

Whereas emphasis is currently being placed upon decentralization, rather than consolidation, in the operation of the Government: Therefore

We, the undersigned Members of the House of Representatives, respectfully request the President of the United States to take such action as may be necessary to insure that the Veterans' Administration will not carry into effect its proposed plan to abolish the Veterans' Administration District offices in Boston, New York, and Richmond and to consolidate the insurance and death-claims activities heretofore administered by such district offices in a single Veterans' Administration district office in Philadelphia.

JOHN W. MCCORMACK; EDITH NOURSE ROGERS; ALBERT P. MORANO, Member of Congress; DONALD W. NICHOLSON; HAROLD D. DONOHUE; JIM PATTERSON, Connecticut, Fifth; ANTONI SADLAK; FOSTER FURCOLO; ERNEST GREENWOOD; JAMES J. HEFFERNAN; HAROLD D. COOLEY, North Carolina; FRANKLIN D. ROOSEVELT, Jr., CHESTER E. MERROW; JOHN J. ROONEY, New York; WINSTON L. PROUTY, Vermont; CHARLES P. NELSON, Maine; JOSEPH W. MARTIN, Jr.; PHILIP J. PHILBIN, Member of Congress; HORACE SEELY-BROWN, Member of Congress, Second Connecticut; ARTHUR G. KLEIN; THOMAS J. LANE, Seventh Massachusetts; LOUIS B. HELLER, New York; L. GARY CLEMENTE, New York; ABRAHAM J. MULTER, New York; A. A. RIBICOFF, Connecticut; J. K. JAVITS, Twenty-first, New York; CHRISTIAN A. HERTER, Tenth, Massachusetts; JOHN F. KENNEDY, Eleventh, Massachusetts.

BOSTON, MASS., August 16, 1951.

Hon. EDITH NOURSE ROGERS,  
House of Representatives,  
Washington, D. C.:

Employees Boston district office desire to register vigorous protest Administrator's plan accelerating date of movement Boston employees to Philadelphia from some time

February 1952 to September 30, 1951. Resolutely protest demand issued August 15, 1951. Those employees unwilling to transfer to Philadelphia submit resignations by August 24, 1951. Movement such short notice imposes grave hardships on employees affected. Employees fully aware and appreciative of your interest in their behalf and your continued action to prevent consolidation and forestall acceleration of movement is desired.

EMPLOYEES DISTRICT OFFICE,  
VETERANS' ADMINISTRATION.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. BARTLETT in three instances and to include two resolutions and an article.

Mr. BLATNIK and to include a newspaper article.

Mr. MORANO and to include an excellent editorial from the Danbury News-Times.

Mr. ANGELL and to include in the remarks he will make in the Committee of the Whole certain extraneous matter and tables.

Mr. BURDICK on the subject of the new discovery of oil.

Mr. KERSTEN of Wisconsin and to include extraneous matter.

Mr. HOFFMAN of Michigan and, in the remarks he will make in the Committee of the Whole today, tomorrow, and under the 5-minute rule, to include extraneous matter.

Mr. ARENDS and to include a newspaper article.

Mrs. ST. GEORGE and to include a newspaper article.

Mrs. ROGERS of Massachusetts and to include very strong arguments against the consolidation of the Veterans' Administration offices in Philadelphia.

Mrs. BOLTON and to include an editorial.

Mr. MERROW to revise and extend the remarks he made in the Committee of the Whole and to include certain quotations and extraneous matter.

Mr. REES of Kansas and to include three resolutions.

Mr. CURTIS of Nebraska and to include a resolution.

Mr. POULSON in two instances and to include extraneous matter.

Mr. BURDICK to revise and extend the remarks he will make tomorrow and include certain data.

Mr. MEADER to revise and extend the remarks he made in the Committee of the Whole this afternoon and to include extraneous matter.

Mr. MACHROWICZ and to include an editorial from the Detroit News.

Mr. HAYS of Arkansas and to include extraneous matter.

Mr. LESINSKI and to include an article.

Mr. YORTY in two instances and to include extraneous matter.

Mr. FURCOLO and to include a speech by Dr. Stevens.

Mr. CURTIS of Missouri and to include extraneous matter.

Mr. JENSEN and to include a letter written by Mr. A. SIDNEY CAMP.

Mr. JUDD in three instances and to include extraneous matter.

Mr. BRAY.

Mr. GROSS and to include extraneous material.

Mr. CELLER.

Mr. McCORMACK and to include an article appearing in the magazine, the Sign, relating to Mr. LOUIS C. RABAUT.

Mr. SIEMINSKI.

Mr. MURPHY (at the request of Mr. SIEMINSKI).

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MORTON (at the request of Mr. ANDERSON of California), indefinitely, on account of illness in family.

Mr. LUCAS, for an indefinite period, on account of official business.

Mr. WOOD of Idaho, for an indefinite period, on account of official business.

Mr. MCGREGOR, for 10 days, on account of official business.

#### ENROLLED BILLS SIGNED

Mr. STANLEY, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 3880. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1952, and for other purposes.

#### ADJOURNMENT

Mr. SIEMINSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 5 o'clock and 45 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Friday, August 17, 1951, at 10 o'clock a. m.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV executive communications were taken from the Speaker's table and referred as follows:

720. A letter from the Postmaster General, transmitting a draft of a proposed bill entitled "A bill to authorize the establishment of postal stations and branch post offices at military, naval, and Coast Guard camps, posts, or stations and at defense or other strategic installations, and for other purposes"; to the Committee on Post Office and Civil Service.

721. A letter from the Assistant Secretary of Defense, transmitting a draft and sectional analysis of legislation entitled "A bill to authorize attendance of civilians at schools conducted by the Department of Defense and the Department of the Treasury, and for other purposes"; to the Committee on Armed Services.

722. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of a bill entitled "A bill establishing a general policy with respect to payments to State and local governments on account of Federal real property and tangible personal property by providing for the taxation of certain Federal property and for payments in connection with certain other Federal property, and for other purposes"; to the Committee on Interior and Insular Affairs.

723. A letter from the Chairman, United States Civil Service Commission, transmitting a draft of a bill entitled "A bill to further amend the Veterans' Preference Act of 1944, as amended, with respect to preference accorded in Federal employment to dis-

abled veterans, and for other purposes"; to the Committee on Post Office and Civil Service.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the clerk for printing and reference to the proper calendar, as follows:

Mr. WOODROW W. JONES: Committee on the Judiciary. H. R. 4945. A bill to authorize the use of appropriations for refunding moneys erroneously received and covered for the refund of forfeited bail; without amendment (Rept. No. 884). Referred to the Committee of the Whole House on the State of the Union.

Mr. LYLE: Committee on Rules. House Resolution 390. Resolution creating a select committee to conduct an investigation and study of the Katyn Forest massacre; without amendment (Rept. No. 885). Referred to the House Calendar.

Mr. WHITTEN: Committee of Conference. H. R. 3973. A bill making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1952, and for other purposes (Rept. No. 886). Ordered to be printed.

Mr. FOGARTY: Committee of Conference. H. R. 3709. A bill making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies for the fiscal year ending June 30, 1952, and for other purposes; without amendment (Rept. No. 887). Ordered to be printed.

Mr. KIRWAN: Committee of Conference. H. R. 3790. A bill making appropriations for the Department of the Interior for the fiscal year ending June 30, 1952, and for other purposes; without amendment (Rept. No. 888). Ordered to be printed.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 40. Concurrent resolution favoring the suspension of deportation of certain aliens; without amendment (Rept. No. 882). Referred to the Committee of the Whole House.

Mr. JONAS: Committee on the Judiciary. H. R. 846. A bill for the relief of Henry J. Krueger; with amendment (Rept. No. 883). Referred to the Committee of the Whole House.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DOLLINGER:

H. R. 5189. A bill to establish in the Department of Commerce a Consumers' Advisory Bureau, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PATMAN:

H. R. 5190. A bill to promote the further development of public library service in rural areas; to the Committee on Education and Labor.

By Mr. DAWSON:

H. R. 5191. A bill to discontinue certain reports now required by law; to the Committee on Expenditures in the Executive Departments.

H. R. 5192. A bill to authorize the transfer of certain property by the Administrator of

the General Services Administration to the Secretary of the Interior; to the Committee on Expenditures in the Executive Departments.

By Mr. McCORMACK:

H. R. 5193. A bill relating to the exemption of foreign travel from the tax on transportation of persons; to the Committee on Ways and Means.

By Mr. DINGELL:

H. R. 5194. A bill to confer jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon claims of customs officers and employees to extra compensation for Sunday, holiday, and overtime services performed after August 31, 1931, and not heretofore paid in accordance with existing law; to the Committee on the Judiciary.

By Mr. TACKETT:

H. R. 5195. A bill to promote the further development of public library service in rural areas; to the Committee on Education and Labor.

By Mr. WOLVERTON:

H. R. 5196. A bill granting the consent of Congress to a compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey concerning a bridge across the Delaware River to provide a connection between the Pennsylvania Turnpike system and the New Jersey Turnpike, and for other purposes; to the Committee on Public Works.

By Mr. CORBETT:

H. R. 5197. A bill to establish a presumption of service connection for poliomyelitis contracted within 5 years after separation from active service by World War II veterans who were prisoners of war; to the Committee on Veterans' Affairs.

By Mr. CRAWFORD:

H. R. 5198. A bill authorizing and directing the Secretary of the Army to transfer certain property located in St. Thomas, V. I., to the control and administrative supervision of the Department of the Interior; to the Committee on Armed Services.

By Mr. FORD:

H. R. 5199. A bill to require that a performance bond be furnished by each person awarded a contract relating to defense activities of the United States; to the Committee on Armed Services.

By Mr. FULTON:

H. R. 5200. A bill to establish a presumption of service-connection for poliomyelitis contracted within 5 years after separation from active service by World War II veterans who were prisoners of war; to the Committee on Veterans' Affairs.

By Mr. MITCHELL:

H. R. 5201. A bill to amend the Atomic Energy Act by providing for the sale of residential and commercial properties owned by the United States at Oak Ridge, Tenn.; to the Joint Committee on Atomic Energy.

By Mr. RAMSAY:

H. R. 5202. A bill to promote the national defense by providing for appointment of cadets and midshipmen from the enlisted ranks; to the Committee on Armed Services.

By Mr. SPENCE:

H. R. 5203. A bill to increase the lending authority of Export-Import Bank of Washington and to extend the period within which the bank may make loans; to the Committee on Banking and Currency.

By Mr. VAIL:

H. R. 5204. A bill to require that the membership of news reporters and commentators and other persons in labor organizations be disclosed in connection with the publication or broadcast of certain news reports and other matter; to the Committee on Education and Labor.

By Mr. MILLS:

H. J. Res. 317. Joint resolution authorizing additional extensions of time for filing ex-

cess-profits tax returns for certain taxable years; to the Committee on Ways and Means.

#### MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States relative to the General Court of Massachusetts, expressing disapproval of a proposal to close the district office of the Veterans' Administration at Boston; to the Committee on Veterans' Affairs.

By Mr. GOODWIN: Resolution of Massachusetts Legislature memorializing Congress to take the necessary steps to prevent the closing of the district office of the Veterans' Administration in Boston and the removal thereof to Philadelphia; to the Committee on Veterans' Affairs.

By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, expressing disapproval of a proposal to close to district office of the Veterans' Administration at Boston; to the Committee on Veterans' Affairs.

By Mrs. ROGERS of Massachusetts: Memorial of the General Court of Massachusetts to prevent the closing of the district office of the Veterans' Administration in Boston and removal thereof to Philadelphia; to the Committee on Veterans' Affairs.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CORBETT:

H. R. 5205. A bill for the relief of Raymond C. Geier; to the Committee on the Judiciary.

By Mr. DOYLE:

H. R. 5206. A bill for the relief of Gregg Ted Lewis; to the Committee on the Judiciary.

By Mr. FERNÓS-ISERN:

H. R. 5207. A bill for the relief of Julio Mercado Toledo; to the Committee on the Judiciary.

H. R. 5208. A bill for the relief of Sor Teresa Gea Martinez, Sor Eufrasia Gomez Gallego, Sor Francisca Gil Martinez, and Sor Rosalia De La Maza; to the Committee on the Judiciary.

By Mr. FULTON:

H. R. 5209. A bill for the relief of Raymond C. Geier; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. R. 5210. A bill for the relief of Robert K. Wong; to the Committee on the Judiciary.

By Mr. MORTON:

H. R. 5211. A bill for the relief of Michael Kay; to the Committee on the Judiciary.

H. R. 5212. A bill for the relief of Jon Sigurdur Gudmundsson; to the Committee on the Judiciary.

By Mr. REES of Kansas:

H. R. 5213. A bill for the relief of Mrs. Ada L. Murphy; to the Committee on the Judiciary.

By Mr. SEELY-BROWN:

H. R. 5214. A bill for the relief of Hela Feder Sooaar; to the Committee on the Judiciary.

#### PETITIONS, ETC.

Under clause 1 of rule XXII,

395. The SPEAKER presented a petition of the National Federation of Amami Associations, Tokyo, Japan, relative to a revision of the draft of Japanese Peace Treaty in respect of territorial questions, which was referred to the Committee on Foreign Affairs.

## HOUSE OF REPRESENTATIVES

FRIDAY, AUGUST 17, 1951

The House met at 10 o'clock a. m.  
Rev. A. Grady Hallonquist, minister, Grace Methodist Church, Houston, Tex., offered the following prayer:

Almighty God, who by Thy holy spirit did guide the fathers of our Nation into the ways of truth and righteousness as they labored together in laying the foundations of this great Republic, enlighten, we pray Thee, our minds and inspire our hearts that we may prove ourselves a people dedicated to those lofty ideals for which they so willingly gave their full measure of devotion.

Direct, we beseech Thee, this session of Congress. Endue with heavenly wisdom Thy servants who make up this body as they decide the issues of state. Bless our land with honorable industry, sound learning, and pure religion. Remove far from us the spirit of pride and every evil way. In times of prosperity may we be humbly grateful. In times of challenge grant us courage, and in times of adversity, suffer not our trust in Thee to fail; for Thine is the kingdom and the power and the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### NON-SERVICE-CONNECTED PENSIONS TO DISABLED VETERANS

Mr. RANKIN. Mr. Speaker, I submit a privileged report from the Committee on Veterans' Affairs on the bill (H. R. 3193) to establish a rate of pension for aid and attendance under part III of Veterans' Regulation No. 1 (a), as amended. The Clerk read as follows:

Your Committee on Veterans' Affairs, to whom was referred the bill, H. R. 3193, entitled "A bill to establish a rate of pension for aid and attendance under part III of Veterans' Regulation No. 1 (a), as amended," together with the objections of the President thereto, having reconsidered said bill and the objections of the President thereto, reports the same back to the House with the unanimous recommendation that said bill do pass, the objections of the President to the contrary notwithstanding.

This bill provides a pension of \$120 a month for totally and permanently disabled, non-service-connected veterans of World Wars I and II, and of the present conflict, where aid and attendance of another person is required, based upon a disability involving blindness or helplessness. The Spanish-American and Civil War veterans already enjoy such a rate. However, there is a difference in eligibility requirements, since veterans covered by this bill may not receive this pension if their annual income exceeds \$1,000 if single, or \$2,500 if with dependents. Veterans of the Spanish-American War and Civil War, on the other hand, do not have to meet any income limitation. In addition, misconduct bars the receipt of pension by World War I and II veterans and this provision applies to the \$120 herein provided.

The committee wishes to reiterate its belief that the veterans covered by this bill are by far the most meritorious of this disability class. All of these veterans are either helpless or blind, or so nearly helpless or blind as to need the regular aid and attendance of another person. In other words, the veterans covered by this legislation need another person in order to take care of their ordinary creature comforts.

This bill was carefully considered by the full committee after a hearing by a subcommittee. The committee, after again considering the subject in view of the President's veto message, is of the unanimous opinion that the bill should pass, despite the objections which have been raised against it.

The immediate cost is very small, inasmuch as the first-year cost would approximate \$16,700,000. It has become the fashion in recent years apparently for the executive department to forecast all costs of veterans' legislation on a 50-year basis, or until the end of the present century. Why veterans' legislation should be singled out for this treatment is uncertain, but there seems to be no valid reason why, if we are to estimate the cost of veterans' legislation for the next 50 years, we should not apply the same standard to all long-range programs of the Government. Comparisons on this basis show the immediate cost of the present bill to be small, as well as the long-range cost.

An estimate of this type contained in the veto message is a guess at best and should not be given any greater weight than a simple guess.

For several years there has been a contention in the executive department of the Government that veterans' benefits should be merged into the social security system. The committee does not agree with this point of view, because it believes that veterans have made a particular contribution to the Nation in a time of peril and, based on this contribution, are entitled to special consideration above those who did not render such service.

For the above reasons, all of which appear to be valid, the committee recommends that the bill be enacted into law, the objections of the President to the contrary notwithstanding.

The SPEAKER. The question is, Will the House on reconsideration pass the bill, the objections of the President to the contrary notwithstanding?

Mr. RANKIN. Mr. Speaker, I ask for recognition.

The SPEAKER. The gentleman from Mississippi is recognized.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and include letters which I have received from the American Legion, one from the Veterans of Foreign Wars, one from the Disabled American Veterans, and one from the AMVETS or the American Veterans of World War II, all supporting this measure and urging the Congress to override the veto.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.  
(The letters referred to are as follows:)

THE AMERICAN LEGION,  
NATIONAL LEGISLATIVE COMMISSION,  
Washington, D. C., August 15, 1951.  
HON. JOHN E. RANKIN,  
House Office Building,  
Washington, D. C.

DEAR CONGRESSMAN RANKIN: On August 6, 1951, the President vetoed H. R. 3193, a bill to provide a pension of \$120 a month for veterans of World Wars I and II and of the present conflict in those cases where an otherwise eligible veteran needs the regular aid and attendance of another person. The disability is of a non-service-connected type. Persons serving on and after June 27, 1950, and until such time as determined by the President or Congress, are covered by this proposal by virtue of Public Law 28 of the Eighty-second Congress.